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CITY AND COUNTY OF HONOLULU
PLANNING COMMISSION

IN RE:
CENTRAL OAHU-STATE SPECIAL USE PERMIT-2014/SUP-3 (RY)
WAIAWA PV, LLC

PUBLIC HEARING

Taken in the Mission Memorial Conference Room, 550
South King Street, Honolulu, Hawaii, commencing at
1:36 p.m. on December 17, 2014.

BEFORE: SHIRLEY L. KEYS, RPR, CM, CSR 383

1 APPEARANCES:

2

3 Commissioners: DEAN I. HAZAMA, Chair

4 KEN K. HAYASHIDA

5 CORD D. ANDERSON

6 KAIULANI SODARO

7 DANIEL S.M. YOUNG

8 JAMES C. PACOPAC

9 ARTHUR TOLENTINO

10

11 Counsel for City and County of Honolulu

12 Planning Commission:

13 WINSTON WONG, ESQ.

14

15 For Applicant: JENNIFER A. LIM, ESQ. and

16 PUANANIONAONA P. THOENE, ESQ.

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1 COMMISSIONER HAZAMA: Good afternoon.
2 I call this meeting of the planning commission to order,
3 December 17, 2014. On our agenda, Central Oahu
4 Special Use -- State Special Use Permit 2014/SUP-3,
5 Waiawa PV, LLC. At this time I call Department of
6 Planning and Permitting up.

7 MR. YOUNG: Good afternoon. My name is
8 Raymond Young, I'm the project planner.

9 COMMISSIONER HAZAMA: Good afternoon.

10 MR. YOUNG: I think as everyone knows
11 here, the director's recommendation has not been
12 finalized, so we will need a little bit more time to
13 complete it, and therefore, we're asking for an extension
14 to the next earliest available date where we can then
15 present the director's recommendation.

16 COMMISSIONER HAZAMA: Okay. Is there --
17 so the department feels that they'll be ready at the next
18 available commission meeting?

19 MR. YOUNG: I believe so.

20 MR. ATTA: We'll be ready.

21 COMMISSIONER HAZAMA: Okay. Director,
22 if you can come up. Good afternoon.

23 MR. ATTA: Good afternoon. The reasons
24 for the -- I guess the request for extension of time is
25 that we're discussing internally --

1 COMMISSIONER HAZAMA: Will you state
2 your name for the record?

3 MR. ATTA: George Atta, director of
4 Planning and Permitting. It's that some of the issues
5 that come up with the renewable energy and ag land raise
6 certain issues about how you measure areas and what would
7 constitute the area of coverage for an SUP, and so
8 internally we're still finalizing our own principles that
9 we're following as to how to help make these
10 calculations, and so those are the things that have taken
11 a little longer than what would normally be the case for
12 our review. But I think we're close to finalizing it, so
13 that's why I feel like -- in fact, I know we'll get --
14 we'll be ready for the next -- the next meeting of the
15 planning commission.

16 COMMISSIONER HAZAMA: Okay. So the
17 next available commission date would be January 7,
18 department then will meet that date.

19 MR. ATTA: Yes, we will.

20 COMMISSIONER HAZAMA: Okay. Thank you.
21 Applicant, at this time I'll call up the applicant and
22 applicant's agent.

23 MS. LIM: Good afternoon, Chair and
24 members of the commission. This is Jennifer Lim, I
25 represent the applicant, Waiawa PV, LLC, and with me is

1 my associate, Onaona Thoene, and we have several people
2 in the audience here to present to the commission,
3 including Mr. Wren Wescoatt, who's the project manager
4 for this project.

5 And if I can, I'm just going to give a
6 couple of minutes of introduction, because I imagine that
7 for really such a simple -- I think a simple state
8 special use permit, you're probably not accustomed to
9 seeing a half a dozen witnesses come before you, or even
10 get the filing like what we submitted on Monday, and I
11 beg the commission's indulgence for accepting this
12 filing, and I also hope you recognize that it was our
13 attempt to make sure that you had before you a sufficient
14 enough record that you could feel like you could make a
15 decision today, despite the fact that the department's
16 report and the director's report hasn't been issued.

17 This project has been -- well, the
18 first application was submitted as far back as June, and
19 that application needed some tweaking, and then a second
20 application was submitted in September, it got accepted
21 in October. Many of you know or may know that there's a
22 federal tax credit time limit, which means that projects
23 such as this, which are these renewable energy projects,
24 must be in operations no later than December 2016.

25 As you also know, once we go through

1 to make this simple, but also comprehensive, because of
2 course there's criteria you need to consider. And I
3 guess our final point on that is we have prepared
4 proposed conditions of approval, applicant's proposed
5 conditions of approval, and not to be too presumptuous,
6 but if the commission would like, we'd like to file these
7 with you folks today.

8 Again, the normal course is we would
9 have a director's report presumably with conditions, you
10 guys would review them, you would think what makes sense,
11 what doesn't make sense, and you would have something to
12 bump up against and ask the applicant about. Because we
13 don't have that, with your permission, I'd like to file
14 these proposed conditions of approval if it's something
15 that you think will help the commission making its
16 decision.

17 COMMISSIONER HAZAMA: I'm going to ask
18 you to hold that for now. So procedurally we have a
19 request from the department for an extension on this
20 matter. I'm not going to assume anything, but does the
21 applicant concur with the request for extension or not?

22 MS. LIM: May I have a minute, Chair?

23 COMMISSIONER HAZAMA: Sure.

24 MS. LIM: And so my client just
25 confirmed what we believed, which is we really

1 respectfully have to ask the commission to please go
2 forward today if at all possible, because we are prepared
3 to present all the information to you today. And of
4 course, we'll be back before you on the 7th, and the
5 director's report can be before you then, and to the
6 extent that that helps inform the final written product
7 that you come out with, but we would ask so that we can
8 meet this federal tax credit time line, that we can move
9 forward today.

10 COMMISSIONER SODARO: Chair, I'd like
11 to ask for executive session.

12 COMMISSIONER HAZAMA: Okay. The
13 motion, a second?

14 COMMISSIONER PACOPAC: Second.

15 COMMISSIONER HAZAMA: Any opposed?
16 Okay. At this time the planning commission will consult
17 corp counsel in executive session regarding the issues
18 pertaining to the commission's powers, duties,
19 privileges, immunities and liabilities. At this time we
20 will be in executive session.

21 (Break from to 1:45 p.m. 2:07 p.m.)

22 COMMISSIONER HAZAMA: Okay. Call the
23 meeting back into order. Thank you for your patience.
24 At this time, in the interest of -- in the interest of
25 the public, and what we'd like to do is proceed and offer

1 the applicant the opportunity to do their presentation
2 before the commission. And we'll also upon completion of
3 your presentation, they would then call up any public
4 testimony or witnesses that want to testify in front of
5 the commission, and at the end of that, anybody that
6 wants to testify, then the commission will then consider
7 the matter of the extension after that.

8 In consideration of people that have
9 come to testify, not only the fact that this meeting has
10 been noticed to the public, who we understand that the
11 applicant has also brought in people from outside the
12 state to be here today, so we'd like to proceed with that
13 portion, and then again, once that's done, then the
14 commission will take up the issue regarding the extension
15 request of the department.

16 MS. LIM: Thank you, Chair.

17 COMMISSIONER HAZAMA: So please
18 proceed, Applicant.

19 MS. LIM: If I may, before calling our
20 presentation, would the director be willing to come up
21 with -- while the commission was meeting, we also had a
22 conversation outside. Director Atta indicated that he
23 might be willing to say something to the commission.

24 MR. ATTA: Okay. I guess basically the
25 request is to kind of give a preliminary -- where the

1 department is heading as far as a report goes. And I can
2 state that the -- our preliminary, you know,
3 recommendation in the report is to approve with
4 conditions, and so what we are still working at is the
5 terms of those conditions and the methodology by which we
6 make some of the calculations, so the department is
7 leaning towards an approval, and I can state that, but
8 what we can't disclose yet is what the conditions of
9 approval are that we are working -- we are still
10 massaging.

11 MS. LIM: Thank you.

12 COMMISSIONER HAZAMA: Thank you.

13 MS. LIM: Okay. So without any further
14 adieu, thank you. We've already introduced ourselves, so
15 if I may, I'd like to call up our first witness, who's
16 Mr. Wren Wescoatt, and as indicated, he is -- he's with
17 First Wind, and he's also the project development manager
18 for this Waiawa PV project. Wren's resume or bio has
19 been filed with the commission, and we also have prepared
20 a written -- or he has prepared written direct testimony,
21 which was filed as Exhibit 14. But rather than having
22 him read a bunch of questions and answers, obviously you
23 all have it in front of you, and you can read through it
24 at your leisure, but when it comes to describing the
25 project, Wren, why don't you tell the commission how long

1 have you been working on this project?

2 MR. WESCOATT: Sure. My name is Wren
3 Wescoatt, I'm with -- development director with First
4 Wind. We have been working on this project for a little
5 over two years. The Waiawa PV project is a 47 megawatt
6 solar project, it is -- the map up here shows -- we've
7 got a couple of maps, but map up here shows the cross
8 hatched area where the project is to be located.

9 Just for orientation purposes, if you
10 look to the bottom of the map, that's the Waipio Costco
11 complex area right there, and then as you go up further,
12 the project is on the right hand side as you're driving
13 toward Mililani, and then across -- just before Kipapa
14 Gulch, so just for orientation purposes.

15 This is a ground mounted solar energy
16 project. Several years ago the Hawaii Clean Energy
17 Initiative set out a goal for Hawaii to transition to 70
18 percent renewable energy. I think as of HECO's last
19 report, there's been -- we've gotten up to about possibly --
20 I think we're down to -- our fuel use energy generated
21 through burning fossil fuels was up above 90 percent. I
22 think now we're at about 18 percent renewable energy, so
23 about 82 percent fossil fuel, so moving in the right
24 direction, but clearly from 18 percent to 70 percent we
25 have a long way to go.

1 So First Wind works on renewable energy
2 projects. We started with wind projects. Our company is
3 based in Boston, Massachusetts. Our very first project
4 was the wind project on Maui, Kaheawa, and since then
5 we've built 18 wind projects, and we've completed one
6 solar project, and are now working on several others. So
7 I have been involved with Kahuku Wind Farm and Kawaihoa
8 Wind Farm, which is just past Haleiwa.

9 We have -- I've been with the company
10 seven years, and my next -- the next few projects that
11 we're working on are four different solar projects on
12 Oahu. The price for solar has come down quite a bit, and
13 solar equipment, and so -- but now with a federal tax
14 credit that's available, solar energy is -- can be built
15 less expensively than wind, and less expensively than
16 most of the fossil fuel generation on Oahu. So it's a
17 great opportunity.

18 And responding to that, about two -- a
19 little over two years ago, HECO, or almost two years ago,
20 HECO put out an invitation for low cost renewable energy
21 projects basically that could get done before this 2016
22 tax credit deadline, and so there were -- there's one
23 wind project and several solar projects that were
24 submitted. Some of those dropped out during the process,
25 but as of last week, HECO had filed seven different solar

1 projects, the power purchase agreements with the PUC, so
2 for a total of I think maybe 200 -- approximately 230
3 megawatts total. One of these projects is the Waiawa PV
4 project that we're looking at with them.

5 What -- so where we are now in applying
6 for the special use permit is we worked with Castle &
7 Cooke to find properties that they would be willing to
8 either lease or dispose of to sell for energy projects.
9 This is one of the areas they were interested in. This
10 is the area rated Class B, agricultural lands by the Land
11 Study Bureau, so we worked with the legislature last
12 year, and previously Class B lands like this it was you
13 could only build a solar project of 20 acres or less,
14 though we felt this is already used for pasture, it's got
15 good rainfall, so what we'd like to do is make it
16 available for solar energy and pasture at the same time.

17 So we have -- in proposing this
18 project, we're looking at basically fencing the area that
19 you see there with like a hog wire fence about four feet
20 high and building a solar project and then leasing the
21 property to a tenant who will bring in sheep and will
22 ranch sheep. Cattle are more common in Hawaii for sure,
23 but solar -- cattle and solar don't work too well
24 together. The cattle are pretty big, so one, they're
25 tall, and two, they tend to rub on anything they can

1 scratch on, so we've talked with several folks that say
2 you really can't have cattle in your solar farm, they
3 will not go over your panels. So we've talked with
4 several folks on Oahu that are interested in ranching
5 sheep on the property, so after we build the project,
6 we'll be bringing in a tenant to manage a sheep farm -- a
7 sheep pasture, commercial sheep pasture on the property.

8 MS. LIM: So Wren, and you just gave
9 them a whole lot of information, but I don't know that we
10 really explained in as much detail as you might want to
11 why you're doing the pasture, and so is the property in
12 the state land use agricultural district?

13 MR. WESCOATT: It is.

14 MS. LIM: And you already said that
15 it's Land Study Bureau Class B, which means that it's
16 productive agricultural land, and right now it's being
17 used for what?

18 MR. WESCOATT: Right now it's being
19 used for cattle pasture.

20 MS. LIM: Okay. And also horse farm
21 somewhere?

22 MR. WESCOATT: Yeah, so mauka of the
23 property. If you look just to the right of the flat area
24 of the project, the land that's sort of tan color is used
25 as a horse ranch.

1 MS. LIM: And until this Act 55 was
2 enacted just a few months ago, or within the last
3 legislative session, was it possible to do solar projects
4 on Class B lands?

5 MR. WESCOATT: So previously, previous
6 to Act 55, the solar projects were limited to 20 acres or
7 ten percent of the land area. And Act 55 allows you to
8 build a larger project as long as you make the land, the
9 area available for agricultural activity at the same
10 time, basically a compatible ag activity, along with the
11 energy break.

12 MS. LIM: So does it actually require
13 you to engage in the agricultural activity, or does it
14 require you to absolutely have agricultural activity
15 happening at all times?

16 MR. WESCOATT: It requires -- no. No,
17 it doesn't. We can lease the property to a tenant who
18 would conduct agricultural activity, and that would have
19 to be -- the lease would have to be, to make it more
20 attractive, the lease would have to be at no more than 50
21 percent of market value for comparable lands.

22 MS. LIM: And --

23 MR. WESCOATT: And your second question
24 was?

25 MS. LIM: Well, just going over that,

1 and you have determined that there are interested
2 lessess?

3 MR. WESCOATT: Oh, correct. We've
4 talked to several ranchers who are interested in
5 developing the sheep -- sheep ranching operation.

6 MS. LIM: Okay. So having the solar
7 panels there isn't going to inhibit agricultural use of
8 this property?

9 MR. WESCOATT: No, definitely not.

10 MS. LIM: Now, there's two other
11 components to Act 55 that we better make sure the
12 commission is familiar with, and one of them has to do
13 with the financial security for decommissioning, and the
14 other has to do with the requirement to decommission. So
15 could you please tell the commission what is the
16 requirement related to decommissioning?

17 MR. WESCOATT: Sure. At the end of the
18 project's useful life, so when it's really not generating
19 enough energy to be profitable anymore, the project has
20 to be decommissioned, so everything has to be removed,
21 and the land has to be returned to similar to its
22 previous condition.

23 MS. LIM: And is it Waiawa PV's
24 representation that that will happen?

25 MR. WESCOATT: That is correct, yeah.

1 We will be doing that as part of the project. Project
2 life typically for these solar projects is somewhere
3 between 25 to 35 years that the equipment is still
4 productive, and so at the time it's no longer productive,
5 then we would decommission within 12 months and remove
6 all that equipment.

7 And then to insure that that would
8 happen, by the time we go operational, we would have to
9 put a letter of credit or some other type of security in
10 place so that if the operator of the solar farm is not --
11 or does not decommission the project, is not able to or
12 not willing to decommission the project, those funds are
13 available for the land owner to draw on so they can make
14 sure the property gets cleaned up.

15 MS. LIM: So if even Waiawa PV, LLC
16 disappears three years from now, is that letter of credit
17 going to be available?

18 MR. WESCOATT: It is. So it would have
19 to be available by the time we start operation, that
20 letter of credit has to be in place.

21 MS. LIM: And it's a letter of credit
22 for how much?

23 MR. WESCOATT: So we did some
24 calculations of what would it cost to decommission the
25 project and checked with several different companies that

1 do this kind of work, and for a project of this size
2 approximately, you can recycle a lot of the steel and
3 some of the other components, and you may be able --
4 there's salvage value associated. So after all that's
5 netted out, it's about four million dollars, the estimate
6 for the costs, conservative estimate for the cost of
7 decommissioning the project and restoring the land.

8 MS. LIM: Okay. Thank you. While
9 we're talking about price, so the decommissioning
10 security will be established before you start operations.
11 What is the price that you're going to be selling power
12 to HECO at?

13 MR. WESCOATT: For this project, it
14 would be -- let me see, exact number, it's slightly
15 different for our different projects.

16 MS. LIM: I think that's on page five
17 of your direct testimony.

18 MR. WESCOATT: 13.75 cents per
19 kilowatt.

20 MS. LIM: Okay. Thanks. So is that
21 substantially --

22 MR. WESCOATT: Thank you for asking me
23 a question that I could not immediately answer.

24 MS. LIM: I'm sorry. How does that
25 compare to the price that HECO right now is paying for

1 energy?

2 MR. WESCOATT: So the avoided cost, the
3 short term avoided cost that the utility pays basically
4 to generate power from oil and coal and conventional
5 generation, that -- they report that cost every month,
6 and so it has been varying quite a bit. But for
7 instance, I believe in September, it was -- the reported
8 cost -- August or September their reported cost was 19.7
9 cents, so this is considerably cheaper. And last year it
10 was 22 cents, it was -- so these projects would be able
11 to deliver power considerably cheaper than the utility
12 has been paying for making power, burning fuel oil and
13 coal. And it's also a flat price, so that 13.75 cents
14 stays flat for the duration of the power purchase
15 agreement.

16 MS. LIM: And there was an article that
17 we read in Civil Beat this morning that made a reference
18 to the solar cost and were these renewable energy
19 projects really such a great idea when natural gas is on
20 its way. I don't know if the commissioners have read
21 that, but could you respond to that?

22 MR. WESCOATT: Sure. The article was
23 fairly misleading. It started out -- it started out
24 proposing that the solar projects were going to cost
25 consumers more. But if anyone had read the filing, HECO

1 proposes several different scenarios, and what the cost
2 of solar energy that they're proposing would be compared
3 to several different scenarios in the future. And the
4 only case in which solar would actually cost more is if
5 all the things that HECO had proposed, including
6 developing the infrastructure to bring in liquid natural
7 gas in high volumes and converting their fleet to be able
8 to run natural gas, and all of that gets approved and
9 constructed in the future, then in that case -- and
10 liquid natural gas prices stay as low as they are now, if
11 all those things happen, then the price, this avoided
12 cost price would be lower than the cost of the solar
13 projects, and assuming it doesn't go up.

14 So it was -- the article sort of
15 suggested that the solar projects were going to cost
16 people more, but in reality, they're costing much less
17 than HECO's paying now. Just as an example, the avoided
18 cost number, it varies quite a bit. Even the cost of
19 fuel, as the fuel prices come down, cost of oil has come
20 down, that avoided cost number over the last few months
21 has come down. It's tricky to predict what the
22 difference is, but certainly suggesting that solar is
23 going to end up costing more is -- you'd have to be
24 pretty creative to stretch it that way.

25 MS. LIM: Pretty speculative article?

1 MR. WESCOATT: Yes.

2 MS. LIM: So you talk about the power
3 purchase agreement, and I know that the SUP application
4 referred to a term of -- maybe it was 22 years, but
5 you're asking the commission to approve a term of 35
6 years. Can you explain that, please?

7 MR. WESCOATT: Sure. We had -- it will
8 take about two years, so we have to be constructed by the
9 end of 2016, so the construction term with the permitting
10 and the financing and construction, that's going to take
11 us through the end of 2016, so that's two years. And
12 then we're also going to need one year at the end to
13 decommission, so that's three. And then the average life
14 of a solar project could be let's say 30 years on
15 average, so we're requesting that the SUP be valid for 35
16 years to give time for those things to happen, some
17 cushion, and including decommissioning. So we think
18 that's -- and that's consistent, I think, with a couple
19 other projects that the LUC has approved recently for
20 terms of 35 years, similar solar projects.

21 MS. LIM: And just to be clear, the
22 ownership of the property is right now with whom?

23 MR. WESCOATT: Right now it's owned by
24 Castle & Cooke Homes Hawaii, Inc.

25 MS. LIM: And has Castle & Cooke

1 authorized you to file the application?

2 MR. WESCOATT: Yes, they have.

3 MS. LIM: They signed the application,
4 is that correct?

5 MR. WESCOATT: That's the land owner.

6 MS. LIM: Are they going to remain the
7 land owner?

8 MR. WESCOATT: No. We have been
9 talking with them about purchasing the property under one
10 of our affiliates, so we're -- right now we're working
11 toward the closing this month to -- so that one of our
12 affiliates would purchase the property. And we may not --
13 it will facilitate sort of development of the project, we
14 think, and we may not own it, it's just we will have
15 Waiawa PV will be one affiliate and then the other
16 affiliate, called Renewables Land Holding, would be the --
17 would own the fee.

18 MS. LIM: So Renewables Land Holding is
19 an affiliate of First Wind in the same way that Waiawa PV
20 is an affiliate of First Wind. So Renewable Holdings
21 would be purchasing this property from Castle & Cooke.

22 MR. WESCOATT: That's correct.

23 MS. LIM: And then leasing it to Waiawa
24 PV, and Waiawa PV is the PV farm developer.

25 MR. WESCOATT: Correct.

1 MS. LIM: So before this commission
2 meets again on January 7, should that closing have taken
3 place?

4 MR. WESCOATT: Yes. That -- we should
5 close by next week.

6 MS. LIM: So we should be able to
7 provide the commission a copy of that deed so that you
8 can be assured that they have the authorization from the
9 current owner. Wren, looking at the picture to your
10 left, which is Figure 2 from the application, I think
11 it's Figure 2 from attachment two of the application,
12 anyway, that's the general layout plan, there's an area
13 on that plan that shows an area set aside for a
14 reservoir. Is Waiawa PV going to be building a
15 reservoir?

16 MR. WESCOATT: No. Just to give folks
17 a little bit of orientation, this is H2 to the left. The
18 blue on the map indicates where the solar panels would be
19 built. The yellow outline is approximate fence line for
20 the project. There's two shaded cross hatched areas
21 here. The question was -- and they are -- these two
22 areas are areas that after we purchase the property in
23 the future, if Castle & Cooke develops their -- at some
24 point during the development of their Koa Ridge
25 properties they have indicated that we are going to

1 reconvey some of those properties to them for two
2 purposes. This area here is the interchange right off
3 the H2, I guess they're -- and this is not my project so
4 I'm just -- my understanding is they will need to build --
5 they would need to build a freeway interchange sometime
6 in the future.

7 So we just blocked that out of our
8 project, and then the square area here toward the center
9 is where they would build a future reservoir. So again,
10 that's just an area that we're blocking out of our
11 project so that we don't -- so that in the future we're
12 going to reconvey that property, so it's not going to be
13 used by our project, not going to be part of the permit,
14 but we just wanted to note those areas so that we didn't
15 inadvertently build stuff on them.

16 COMMISSIONER HAZAMA: Okay.

17 MS. LIM: You know, that really is all
18 the questions that I wanted to ask you. Is there
19 anything that you would like to inform the commission of?

20 MR. WESCOATT: No, I think we've -- I'd
21 be happy to take any questions. There are several solar
22 projects like this being proposed on the islands, so
23 there's a lot of interest in it.

24 COMMISSIONER HAZAMA: Okay. Any
25 questions from the commissioners?

1 COMMISSIONER SODARO: I have a
2 question. The term useful life is mentioned a couple
3 times in the application. Can you define it? Like
4 what's -- what is the useful life, because it bounces
5 back and forth.

6 MR. WESCOATT: Okay. Sure. My -- and
7 this is --

8 COMMISSIONER SODARO: How they trigger
9 the decommission.

10 MR. WESCOATT: Sure. And this is the
11 lay person's definition, so the way we use the term is
12 when the project is costing more to operate and it's not
13 worth generating -- not worth continuing to operate,
14 basically they -- over time solar panels just degrade
15 naturally. So in a year, you know, after one year
16 they're sort of .5 to .7 percent less productive, and so
17 over time, the -- you know, if you build a, you know, 47
18 megawatt project, you know, by -- it can generate 47
19 megawatts in one hour under full sun. Over, you know,
20 the next year it's going to be slightly less, slightly
21 less.

22 So by the time that is down to
23 approximately 70 percent of its initial output, then it's
24 no longer financially feasible to pay for the upkeep of
25 the project. It's losing more money than it's

1 generating, basically. And so that's -- that's my
2 attempt at defining useful life. It's just the -- sort
3 of the practical duration of a solar project.

4 COMMISSIONER SODARO: So then on the
5 outset, the decommission would happen at the permit
6 expiration? Because that's an internal business
7 decision. I'm just trying to understand the window of
8 decommissioning.

9 MR. WESCOATT: So we would -- so I
10 guess once the decision is made, and let me know if this
11 is not answering your question, but once the decision is
12 made that the project is -- it's no longer profitable to
13 operate the project, feasible, then we would end the
14 useful life of the project and then start the
15 decommissioning process, and we have a 12 month period to
16 do that. So we would be requesting that the SUP cover
17 construction, operation and decommissioning within that
18 35 years.

19 COMMISSIONER SODARO: But the permit
20 time is tied to -- you explained what the PPA time lines
21 are under the PPA extension, so I'm just trying to
22 understand, you know, there's experience with projects
23 not being decommissioned in time frames that I think
24 communities, you know, had expectations of. So I'm just
25 trying to understand what the outside decommissioning, so

1 it would be within the permit.

2 MR. WESCOATT: Correct.

3 MS. LIM: Yes.

4 MR. WESCOATT: Yes. Correct.

5 COMMISSIONER SODARO: Okay, thanks.

6 COMMISSIONER HAZAMA: Okay. Any other
7 questions from the commission? Just one. Clarify the --
8 your tax credit requirement.

9 MR. WESCOATT: To meet the federal
10 investment tax credit deadline, it's a 30 percent tax
11 credit and we have to be operational, fully operational
12 by the end of December 2016.

13 COMMISSIONER HAZAMA: All right. 2016.
14 Okay. Thank you.

15 MR. WESCOATT: Which seems far, but
16 it's very close.

17 COMMISSIONER HAZAMA: Any other
18 questions? No questions? You want to call anybody else?

19 MS. LIM: If we could, yeah. We would --
20 we'd actually like to call a few other folks, but Wren
21 was the longest testimony, so the next person we'd like
22 to call is Mr. Jed Dailey, who's a vice president of
23 construction for First Wind. His written direct
24 testimony was filed as Exhibit 15, and I'm going to ask
25 Jed to confirm that that was his written direct

1 testimony.

2 MR. DAILEY: Correct.

3 MS. LIM: Was it the written direct
4 testimony?

5 MR. DAILEY: Yes, it was.

6 MS. LIM: Okay, thank you. And really,
7 he's here mostly to answer your questions, however,
8 because he is the VP of construction, we thought that
9 there may be detailed kind of questions about how these
10 projects get built, what the solar panels look like, what
11 the posts look like, so he's really -- more than
12 anything, he's here for your questioning.

13 MR. DAILEY: Jed Dailey, vice president
14 of construction, First Wind, been with First Wind about
15 seven years, been involved with all the Hawaii projects,
16 but now on Oahu. I'm working on -- well, not solar yet
17 here, but solar on the mainland. I'll be -- I'll be very
18 quick. I just wanted to run through the project details
19 a little bit. I'll stand up actually.

20 So as Wren explained, obviously all the
21 purple here are the panels. I guess one thing to
22 explain, like a lot of projects I think probably in front
23 of the commission, there's fixed tilt and there's
24 tracking. These will be fixed tilt, so there's no
25 moving parts, obviously, something like this easel.

1 There will be two panels like in the portrait. Panels
2 are probably the size of that poster there, in the
3 neighborhood.

4 So essentially, it's built like
5 essentially building blocks, so you can see kind of all
6 these areas that don't have panels. That's essentially a
7 block, typically one megawatt, so a block of panels will
8 essentially go to an inverter station, the inverter just
9 converts the DC to AC. A pad mount transformer will step
10 it up to medium voltage, 34.5 kV, and that will all get
11 routed back up to the substation. So this is the
12 transmission line that goes through the site, this is
13 HECO's line. So each block essentially gets -- collected
14 the AC back to the substation and this will step it up to
15 138 kV, which is the same voltage as the HECO
16 transmission line that bisects the property.

17 HECO will actually build the
18 switchyard, and this is essentially -- it's a switching
19 station. It doesn't step the power but they'll have
20 breakers and switches, and that's where our metering will
21 be. And they'll essentially, for lack of better words,
22 cut this line into the switchyard. We'll step up the
23 power and the point of sales essentially -- it's
24 essentially right there, and that's the 138 kV
25 transmission line placed throughout the island.

1 As far as the construction process, I
2 mean very assembly line process. The first thing, first
3 thing is obviously driving the piles essentially, just
4 steel piles into the ground and then frame a rack that
5 can hold -- that can hold panels and trenching for the AC
6 and DC wiring. That will be brought back to the inverter
7 pad mount station, then there will be -- everything
8 within here will be -- it will all be underground, all
9 underground trenching. There will be a little bit of
10 overhead, but nothing to do with the panels, just
11 bringing communication into the site, Hawaii Pro Com
12 likely, for communication to HECO and our substation.

13 After that, obviously the panels, the
14 panels are just manual labor for the most part, install
15 panels, and then again, a lot of electrical trenching,
16 but essentially, a lot of just, you know, I don't want to
17 oversimplify it, but assembly line -- assembly line work
18 in blocks to bring it all back to a substation
19 switchyard. And that's the -- that's the brief overview,
20 but --

21 MS. LIM: Jed, you know, I do have a
22 couple questions.

23 MR. DAILEY: Sure.

24 MS. LIM: What's that road running
25 through the property?

1 MR. DAILEY: So this is actually an
2 existing access road. Right now it's essentially a two
3 track, it will be upgraded, will be upgraded, you know,
4 approximately 20, 25 foot width with aggregate on it.
5 Right now it's really, you know, I mean it does -- it
6 does serve residents up here but it's not all weather
7 right now, so we will be upgrading that road.

8 So essentially, this is called the main
9 artery road through the site and then there will be small
10 access roads, you can see them on the map here, and
11 really just to get out to the -- out to the inverter
12 stations just for maintenance and things.

13 MS. LIM: And what sort of maintenance
14 will be involved? Do the panels require a lot of
15 maintenance?

16 MR. DAILEY: No. Really, the
17 construction, I mean that's kind of I guess the forces
18 will come in, I mean that takes some effort, but
19 afterwards, I mean solar, especially -- especially fixed
20 tilt is extremely low maintenance. I mean if the soiling
21 losses are up, come out and wash the panels, obviously
22 any routine maintenance or, you know, if you have any
23 issue with an inverter, you know, a maintenance person
24 will come out, but very low maintenance compared to other
25 projects.

1 MS. LIM: And are there any kind of
2 hazardous materials?

3 MR. DAILEY: No. I mean there's -- on
4 each inverter pad there's a pad mount transformer, but I
5 mean the green boxes, they're pad mount transformers, but
6 it's mineral oil. In the substation there's a main power
7 transformer that steps it up from 34.5 to 138 kV. That's
8 a large transformer, but you know, per code it's 100
9 percent secondary containment, so essentially a big vat
10 around it that contains 110 percent of the oil that is
11 within the transformer.

12 MS. LIM: And the area around the
13 substation switchyard, is that fenced --

14 MR. DAILEY: Yeah.

15 MS. LIM: -- or will sheep be able to
16 run on there?

17 MR. DAILEY: No, and all switchyards
18 and substations, just because it is high voltage, I mean
19 even to go inside you need to be trained and you need to
20 have FR clothing. I mean for just personnel safety and
21 code, I believe, you know, there will be a fence with
22 wire and signs, you know, high voltage, stay out, trained
23 personnel only. Just these two areas right here.

24 MS. LIM: The substation and the
25 switchyard?

1 MR. DAILEY: Yeah, the substation and
2 switchyard, HECO switchyard and the substation.

3 COMMISSIONER HAZAMA: Questions? Any
4 questions?

5 COMMISSIONER SODARO: Is there energy
6 storage?

7 MR. DAILEY: No.

8 COMMISSIONER TOLENTINO: You had
9 mentioned that the project will be ground mounted?

10 MR. DAILEY: Uh huh.

11 COMMISSIONER TOLENTINO: How far off
12 the ground will your panels be?

13 MR. DAILEY: Yeah. So the panel, the
14 bottom of the panel is around three and a half to four
15 feet, the top of the panel, so it will likely be two in
16 portrait, so it will be a driven pile, and I guess if you
17 turn this this way and stack one on top of the other, the
18 bottom is around three and a half feet, the top's around
19 nine, nine and a half feet. That will be kind of the
20 fixed plane that will be throughout that whole array.

21 COMMISSIONER TOLENTINO: Is it a
22 combination of power generating equipment or is it all
23 PV?

24 MR. DAILEY: All PV.

25 COMMISSIONER TOLENTINO: Has nothing to

1 do with wind?

2 MR. DAILEY: No, all PV, 100 percent.

3 COMMISSIONER TOLENTINO: Is it visible
4 from the H2?

5 MR. DAILEY: Wren would probably be --

6 MS. LIM: If we could, Wren or Paul
7 could address that.

8 MR. WESCOATT: Sure. The project right
9 along the H2, I don't think we can see -- we did some
10 visual simulations for the project from different areas
11 and we weren't able to -- there's no visual profile from
12 the H2 as you drive by the project. If you're further
13 down, this might be a better map, it might be possible to
14 see a little bit of it possibly from here, but we haven't
15 been able to get a photo that shows anything up there,
16 and there's some trees and things. You can see the
17 project as you're coming town bound from Mililani, so
18 just as you get on the on ramp right here, you look
19 across Kipapa Gulch, that's the only time you can kind of
20 see that green pasture and so you see a little bit of
21 area up here. So from this direction they'll be able to
22 see some of the project.

23 MS. LIM: And you did include visual
24 simulations with the application?

25 MR. WESCOATT: Correct.

1 MS. LIM: It was Attachment 10 to the
2 application?

3 MR. WESCOATT: Yeah. And then of
4 course from right across the project here, eventually
5 when homes are built here, they'll be able to see some of
6 the project here, but we have a landscaping plan that we
7 included in our application that has some low level
8 naupaka along this side and then we have some trees kind
9 of along this side, too, create a little visual
10 screening.

11 COMMISSIONER TOLENTINO: Okay. Thank
12 you.

13 COMMISSIONER HAZAMA: Any other
14 questions?

15 COMMISSIONER TOLENTINO: I have another
16 question but I'm not sure I'm asking the right person.
17 But my question is when you build a solar farm like this --

18 MR. DAILEY: Uh huh.

19 COMMISSIONER TOLENTINO: And HECO --
20 and say -- let's just use Mililani as an example, and
21 they would allow residents to install PV systems, and
22 they have a point where they say Mililani, no more,
23 you've reached your threshold. Does this affect any
24 neighborhood around the area?

25 MR. DAILEY: Tom Siegel, who's our vice

1 president of transmission, I think he would probably be
2 the best to --

3 COMMISSIONER TOLENTINO: Oh, okay.

4 MR. DAILEY: -- to answer that, but I
5 think --

6 MS. LIM: And he's here.

7 MR. DAILEY: He's here.

8 MS. LIM: We thought somebody might ask
9 that question.

10 COMMISSIONER TOLENTINO: I'd just like
11 to know if it will affect anyone else in applying for a
12 PV system.

13 MR. WESCOATT: I'm glad you asked
14 because he did just fly out here from California just to
15 answer that question.

16 COMMISSIONER TOLENTINO: Okay. Well, I
17 made it worth it then.

18 MR. WESCOATT: I guess he should --

19 MR. SIEGEL: Hi. I'm Tom Siegel, I'm
20 vice president of transmission for First Wind.

21 MS. LIM: And your written direct
22 testimony was filed as Exhibit 16, is that correct?

23 MR. SIEGEL: That's correct. So the
24 question regarding whether there's an impact to
25 residences who might be interested in installing panels

1 on their roof by our project, our project is proposing to
2 interconnect to HECO's 138,000 volt transmission system.
3 It's their highest voltage transmission system, and it's
4 used to distribute energy across the island and
5 throughout the island system. When customers connect to
6 their -- install solar panels for their own services,
7 they're connecting at their meter level at the secondary
8 component of the distribution system, and then feed up to
9 each distribution circuit.

10 My understanding of HECO's process is
11 that they evaluate the eligibility of connecting those
12 projects at the customer level based on a circuit by
13 circuit penetration, so each circuit can only tolerate or
14 accept so much solar energy generated on a circuit level.
15 So it's exclusively limited to what the distribution
16 circuit can tolerate in terms of the solar panel or solar
17 production, construction upon that circuit. And so our
18 facility constructed at the 138,000 volt level should
19 have no impact on the ability of residences to put
20 projects on their homes.

21 COMMISSIONER TOLENTINO: Very good.

22 Thank you.

23 MR. DAILEY: Is there any more
24 questions for me?

25 COMMISSIONER HAZAMA: No.

1 MR. DAILEY: Thank you very much.

2 COMMISSIONER HAZAMA: Thank you.

3 MS. LIM: If we may then, the next
4 witness would be Dave Cowan, and he is the head of
5 environmental affairs for First Wind.

6 COMMISSIONER HAZAMA: Okay.

7 MS. LIM: He's also flown in for the
8 meeting today. And Mr. Cowan's written direct testimony
9 is Exhibit 17. Dave, would you verify that that is in
10 fact your written testimony?

11 MR. COWAN: Yes, it is.

12 MS. LIM: Okay. Thank you. And would
13 you please tell the commission very briefly what your
14 background is and what your experience is with First
15 Wind?

16 MR. COWAN: Sure. I've been with First
17 Wind about ten years. I'm the head of environmental
18 affairs. I oversee all permitting and compliance across
19 the fleet of wind and solar projects. I've been involved
20 here in Hawaii in the development of four wind projects
21 that are currently operating, and a fair amount of agency
22 interaction and environmental assessment work. With
23 respect to the solar farm, I've worked with the
24 environmental consultants SWCA, they've done an on site
25 environmental assessment, and we've also done agency

1 coordination, responded to agency comments for the
2 project.

3 MS. LIM: So environmental assessment
4 meaning a biological assessment was done on the property?

5 MR. COWAN: That's right.

6 MS. LIM: And were any threatened or
7 endangered species found on the property?

8 MR. COWAN: Right. So there were no --
9 no identification of any endangered or threatened species
10 in the SWCA work.

11 MS. LIM: And no candidate species?

12 MR. COWAN: Nor candidate species.

13 MS. LIM: And any wetlands found on the
14 property?

15 MR. COWAN: And neither did they
16 identify any wetlands on the property.

17 MS. LIM: Now, nevertheless, I know
18 that you or others from Waiawa PV met with Fish and
19 Wildlife and also DOFAW. Could you explain very briefly
20 why and the outcome of that meeting?

21 MR. COWAN: Sure. So a letter was
22 received from Fish and Wildlife Service, the federal
23 agency, in response to a request from DPP, and they made
24 some comments on the application. They confirmed that
25 there were no -- there's no critical habitat or

1 endangered or threatened species that they were aware of.
2 They also made some recommendations, suggestions to us,
3 if you will.

4 There's been -- had been occasions of
5 birds mistaking PV panels on the mainland under very
6 specific circumstances, desert conditions, for water
7 bodies, and then attempting to land on the PV panels and
8 resulting in injury. This has not been documented in
9 Hawaii, there are already a lot of panels in Hawaii
10 operating, so it's not known to be at issue here, but
11 they did ask us if we could just follow some monitoring,
12 make observations, follow some standardized monitoring
13 protocols, which we currently do on our wind farms that
14 refers to that, so we agreed with them to do that.

15 In the course of that discussion we
16 invited DOFAW to the conversation of our own volition.
17 We wanted to make sure that they were on board with what
18 we're proposing there, so that's been agreed to with the
19 agency. What we will do in the course of our sort of
20 routine inspections at the site, we will document and
21 report if there are any incidents of birds that have
22 attempted to land and been injured.

23 There's also an issue that -- of
24 course, there's an endangered bat in Hawaii, the hoary
25 bat, it has been known on occasion to get hung up on

1 barbed wire fences in pasture conditions and conservation
2 areas, and so they asked if in the perimeter fence that
3 we put around our site, that we not have that big a
4 barbed wire fence, and we agreed to do that as well.

5 On all of our wind projects, we have
6 substations, we have switchyards, and those do have
7 barbed wire at the top of the fence, it's a very high
8 security safety concern, so in those instances it's
9 deemed acceptable, there's never been an objection to
10 that, but they did want to make sure that we didn't have
11 the barbed wire covering a large landscape area.

12 MS. LIM: And does First Wind have a
13 good relationship with Fish and Wildlife and also with
14 DLNR, DOFAW in terms of working on monitoring and
15 managing wildlife?

16 MR. COWAN: So we have four habitat
17 conservation plans in effect at our wind farms, and so
18 these involve a great deal of coordination with the
19 agencies in the approval process, so essentially, once
20 you have an HCP, you're bound with the agency in a long
21 term relationship. So we're essentially in a 20 year
22 relationship on each of these projects. We meet
23 regularly with the agencies and we coordinate on what
24 levels of impacts might be occurring at the wind farms,
25 what kind of mitigation should be done, so it's an

1 ongoing conversation. Being able to have that
2 relationship is very helpful in this case with all the
3 same individuals. They know us, they're I would say
4 enthusiastic about the solar projects coming to Hawaii.
5 They did offer their suggestions, and it's very easy to
6 sort of pull it together, have a meeting, talk it
7 through, and make sure we air whatever concerns they
8 might have and then come up with a way to address them.

9 MS. LIM: Thanks, Dave.

10 COMMISSIONER HAZAMA: Questions from
11 the commissioners? Just one. When you're dealing with --
12 when you dealt with the environmental agencies, they are
13 aware that applicant intends to enter into an ag
14 partnership regarding sheep? Are they aware of that?

15 MR. COWAN: They didn't bring it up,
16 they didn't ask about that, but it's in the application.
17 Yeah, they were given --

18 COMMISSIONER HAZAMA: I was just
19 wondering if they raised any additional concerns
20 regarding that partnership regarding raising sheep on
21 that --

22 MR. COWAN: Yeah. We didn't hear -- we
23 didn't hear anything about that.

24 MS. LIM: They did provide a letter,
25 you know, when the application got circulated to all

1 different agencies and Fish and Wildlife, provided the
2 letter, so they did know, because the sheep farming is
3 described in pretty good detail in the application.
4 Apparently, they're not concerned.

5 COMMISSIONER HAZAMA: Okay. Thank you.

6 MS. LIM: Thanks. So if we can move
7 along, our next witness would be Robert Reichman --
8 Rechtman, sorry.

9 MR. RECHTMAN: Good afternoon,
10 commission. My name is Robert Bob Rechtman. My business
11 address is 507A East Lanikaula Street in Hilo, Hawaii.

12 MS. LIM: And a copy of your resume was
13 filed as Exhibit 21?

14 MR. RECHTMAN: As Exhibit 21, correct.

15 MS. LIM: Okay. And could you tell the
16 commissioners, please, what is it that you do for a
17 living?

18 MR. RECHTMAN: My title position is
19 vice president with a company called ASM Affiliates. We
20 do archaeological, cultural, historical research and
21 studies. Prior to that, I had my own business, Rechtman
22 Consulting, which operated in Hawaii for 14 years before
23 that. And prior to that I worked for another consulting
24 firm here since about '97.

25 MS. LIM: So you're an archaeologist?

1 MR. RECHTMAN: I'm an archaeologist,
2 anthropologist.

3 MS. LIM: And did you do an
4 archaeological report for this property?

5 MR. RECHTMAN: Yes, we did. We did an
6 archaeological study of this project area, which was
7 submitted to the State Historical Preservation Division
8 for review in August of 2014.

9 MS. LIM: And I know a copy of that
10 report was included with the SUP application. Would you
11 tell the commissioners has SHPD accepted that report yet?

12 MR. RECHTMAN: We have not gotten a
13 review back from SHPD yet. I spoke with them about that
14 last week. They didn't start reviewing it until the
15 special use permit came across their desk for review.
16 And at that time, which was probably only three weeks
17 ago, I imagine, and at that time I knew that they were
18 reviewing it but I didn't hear back from her so I called
19 again a few days ago to find out where the review was,
20 and she said they stopped the review because they
21 encountered a discrepancy in the acreage, because our
22 study was for a 342 acre area, and the wind farm is only
23 occupying 313 acres.

24 MS. LIM: I'm sorry, the solar farm?

25 MR. RECHTMAN: I'm sorry, the solar

1 farm, I'm sorry, the solar farm is occupying only 313
2 acres. So there was confusion on their part, so they
3 just stopped. I cleared up the confusion saying that we
4 looked at an area slightly larger than the solar farm
5 area's going to be. Can you please continue your review,
6 and she said they would now restart their review.

7 MS. LIM: So would you confirm for the
8 commission that the area that's outlined in yellow on
9 that exhibit, which is the project site plan, that area
10 is what's covered in your report, is that correct?

11 MR. RECHTMAN: Correct. The
12 archaeological study that we did also included the area
13 on this exhibit, Figure 2, closer to the H2, which is
14 labeled as area reserved for future interchange. So
15 there's an extra 30 acres or so down here that we looked
16 at. When we did this work, we were unaware that that was
17 not going to be part of the farm, so we covered it.

18 MS. LIM: So that explains the
19 discrepancy?

20 MR. RECHTMAN: That explains the
21 discrepancy.

22 MS. LIM: And is the property just
23 littered with historic artifacts and historic properties?

24 MR. RECHTMAN: No. In fact, we did a
25 thorough examination of this property, and there would be

1 encountered no historic properties, no archaeological
2 sites.

3 MS. LIM: So your recommendation in the
4 report was what?

5 MR. RECHTMAN: Recommendation in the
6 report was that no further historic preservation work
7 being necessary prior to permitting, with the condition
8 that if on the off chance something is found, SHPD is
9 notified and state law is followed.

10 MS. LIM: Now, I know that you also
11 prepared a report that we filed as Exhibit 10, called
12 First Wind Waiawa Solar Ka Paakai Discussion. Could you
13 briefly explain to the commissioners what that report is
14 about?

15 MR. RECHTMAN: Yes. More recently I
16 was asked to prepare by First Wind a cultural analysis,
17 not -- the project wasn't -- did not need to comply with
18 Chapter 343 of environmental laws, which would have
19 required full blown cultural impact assessment, so they
20 asked if I could just provide some sort of cultural
21 analysis. And I thought perhaps the best framework to
22 put that in short of a full blown cultural impact
23 assessments would be in some sort of discussion or
24 analysis related to the Ka Paakai versus Land Use
25 Commission court case, which we could address if there

1 would be any traditional cultural properties, value
2 resources, and then address how to deal with them if we
3 identified any in that kind of a structure.

4 So I put my report together with that
5 structure in mind and based it on a review of the
6 historical literature as well as the history and record
7 of cultural consultation and cultural impact assessment
8 work that has been done for this project area when it was
9 part of a larger area, 339 or 1,339 acres considered for
10 a home development by Castle & Cooke for, you know, this
11 area and several other areas in the Miliani region. So
12 there was a good record as recently as 2008 of cultural
13 consultation about this project area.

14 So I compiled all that information and
15 presented it in what I call a Ka Paakai discussion, the
16 result of which was that, you know, there were no
17 traditional cultural properties, practices, places
18 identified and no ongoing practices. The only caveat to
19 that in the report was that in the earlier cultural work
20 they referred to pig hunting as practice and had a
21 discussion of that.

22 MS. LIM: Is pig hunting a traditional
23 customary practice?

24 MR. RECHTMAN: From my perspective and
25 the perspective of other researchers, ancient Hawaiians

1 didn't hunt pigs, they kept them as domesticated animals.
2 Pig hunting is a practice and it's multi-cultural and it
3 has traditions, but from my perspective, it's better
4 assessed as a social practice as opposed to a cultural
5 practice.

6 MS. LIM: And that assessment is
7 consistent with others in your profession, correct?

8 MR. RECHTMAN: Yes.

9 MS. LIM: So the last question for you
10 would be that development of the solar farm and changing
11 the existing cattle ranch into possibly a sheep ranch or
12 something else, is there going to be any impact on
13 traditional or customary practices?

14 MR. RECHTMAN: I would say no.

15 MS. LIM: Okay. Thanks, Bob.

16 COMMISSIONER HAZAMA: Okay,
17 Commissioners, any questions? No? Thank you very much.

18 MS. LIM: Okay. We'd next like to call
19 Paul Luersen, who is the land use planner, he's really
20 the mastermind who put together the SUP application
21 working really closely with Wren.

22 COMMISSIONER HAZAMA: Proceed.

23 MR. LUERSEN: Good afternoon,
24 Commissioners. I'm Paul Luersen, CH2M Hill, senior land
25 use and environmental planner.

1 MS. LIM: Thank you. And a copy of
2 your resume was filed as Exhibit 2 with the commission
3 and your written direct testimony was filed as Exhibit
4 18. Do you affirm that's your written direct testimony?

5 MR. LUERSEN: That is correct.

6 MS. LIM: Okay. It's already been sort
7 of a long afternoon, and so I don't want to belabor this,
8 but when it comes to being familiar with the Chapter 205
9 criteria for a special use permit, you're probably the
10 most expert person next to George, who's -- and possibly
11 Raymond, so if you would just summarize for the
12 commission and then open yourself up for questions. Is
13 this consistent with the SUP criteria?

14 MR. LUERSEN: The short answer, it is.
15 The SUP application goes through each of the criteria and
16 discusses how the project is consistent. A recent
17 amendment to the legislation allows actually dual use of
18 ag lands, B and C lands. In this case, the first project
19 to come under that new legislation, it's -- I think it
20 addresses important goals for the state, which is
21 renewable energy and food production. I like to think of
22 it as megawatts and mutton. You've got both clean energy
23 being produced and a sheep farm, so essentially the ag
24 property remains ag property. It will in perpetuity.
25 This energy production, this PV power

1 farm is for a period of time. The SUP will lapse after
2 the end of that period, and as you heard earlier, the
3 land will be put back in the state it was, and it can go
4 into a different ag use, it's that the plan at that time.
5 So in many respects it goes beyond I think 205, that had
6 required it be consistent for use of ag land.

7 MS. LIM: There's a small area relative
8 to the 313 acres covered by the SUP, relatively small
9 area for the substation and the switchyard. Is there
10 anything in Act 55 or in the history of Chapter 205 that
11 would indicate that that land area should be somehow
12 counted against this project such that additional
13 agricultural land must be found elsewhere?

14 MR. LUERSEN: 205 allows for utilities
15 by substations. They call them transformer stations.
16 I've worked on HECO projects since 1990, substation
17 switchyards, basically poles, wires and some boxes, and
18 it's essential for the transmission and distribution
19 system. And there are power lines all through the ag
20 districts. It's an allowed use.

21 MS. LIM: So I'm sorry, so no SUP, we
22 would not be here this afternoon if that's all we were
23 doing was the substation?

24 MR. LUERSEN: Exactly. We wouldn't be
25 here today if it was only the substation and switchyard.

1 MS. LIM: And if the substation was
2 tied in there for the PV panels and only the PV panels,
3 and we wanted to be very, very conservative and say that
4 that really is part of the solar energy facilities, would
5 it be allowed on Class B lands without the SUP?

6 MR. LUERSEN: Yeah. Yeah. You could
7 put it there. It's there to help the PV farm, so we
8 included it in the SUP. Planners tend to be a bit
9 conservative, especially when going before a regulatory
10 board.

11 MS. LIM: And again, without Act 55,
12 certain percentage of land area would be allowed for PV
13 use irrespective of an SUP, right?

14 MR. LUERSEN: Ten percent of the
15 property or up to 20 acres. In this case the substations
16 are on the order of two acres, two and a third.

17 MS. LIM: So it's clearly within the
18 boundaries where no SUP would be required?

19 MR. LUERSEN: Correct, clearly within
20 an allowed use in an ag district.

21 MS. LIM: Thanks.

22 COMMISSIONER HAZAMA: Commissioners,
23 any questions? I have one. Act 55 requires concurrent
24 ag use of the land. Are auxiliary ag structures required
25 to be submitted in this SU -- in the SUP if they are

1 required -- deemed required by the ag component?

2 MR. LUERSEN: So if there were no PV
3 components to this it would just be a permitted ag use,
4 so we would have auxiliary or accessory structures. So
5 it was the PV that really needed the SUP, so really we
6 focused on how the PV related, not so much the sheep
7 production, because that's something that would be
8 allowed. In this case it was like fencing and corrals
9 and ways to manage them, feed them, et cetera.

10 COMMISSIONER HAZAMA: I guess I see
11 your panel layout and your structure. I'm not sure if
12 the ag component requires a building or a space or some
13 kind of covered area. I don't see that in your plan so --

14 MR. LUERSEN: I don't know that it
15 does. I didn't have conversations with the prospective
16 shepherds, I guess what you'd call them, if this is the
17 season anyway. So okay, Wren can answer this.

18 MS. LIM: Could Wren come back and --

19 MR. WESCOATT: This is Wren Wescoatt.
20 I had discussions with several different ranchers who
21 were interested, and they all have a little different
22 idea about what they might want to do on the property,
23 where they want to put the troughs, where they want the
24 corrals and the gates, and so really, because we haven't --
25 we have a letter of intent with one lessee that is

1 interested, or future potential lessee, but we really
2 haven't solidified that yet, so I think those -- we'd
3 have to figure that out once we determine who the lessee
4 is. We left space for those, we believe there's space in
5 the layout to allow whatever they would need. But we
6 have -- because we haven't picked up a rancher, we don't
7 know exactly what they're going to need or where.

8 COMMISSIONER SODARO: I want to know if
9 there were any slaughter operations, is there anything
10 triggered by that? In the corral plan, I saw the corral
11 chute and then nothing. Usually the chute leads to
12 something.

13 MR. WESCOATT: Yeah. Hopefully we just
14 do a truck. So the plan so far is all the ranchers we
15 talked to take their livestock to the slaughter house,
16 the existing slaughter house on Oahu.

17 COMMISSIONER SODARO: Thanks.

18 COMMISSIONER HAZAMA: Okay. Any other
19 questions? All right. Thank you. How many more? Two
20 more?

21 MS. LIM: Two more. Quick, next would
22 be Paul Matsuda, who's a civil engineer, and again, he's
23 really just available for questions, if there are
24 questions about the engineering aspects. And again,
25 civil engineering aspects of the project.

1 MR. MATSUDA: Good afternoon. Paul
2 Matsuda, Group 70 International, director of civil
3 engineering.

4 MS. LIM: Okay. And Paul, I believe a
5 copy of your resume was filed as Exhibit 3, correct?

6 MR. MATSUDA: Yes.

7 MS. LIM: And you prepared a civil
8 engineering -- a preliminary civil engineering report
9 which we filed as Exhibit 11, is that correct?

10 MR. MATSUDA: Yes.

11 MS. LIM: And then you also prepared
12 some written direct testimony?

13 MR. MATSUDA: Yes.

14 MS. LIM: And that was filed as Exhibit
15 19.

16 MR. MATSUDA: Yes.

17 MS. LIM: Correct? So rather than me
18 going through the back and forth with you, again, I'd
19 like to just turn him over to the commissioners if
20 there's any specific questions you'd like to toss at
21 Paul.

22 COMMISSIONER HAZAMA: Questions, any
23 questions? No. Okay. Thank you.

24 MR. MATSUDA: Thanks.

25 MS. LIM: Thank you. And if we may

1 then, just the last person we would ask to come up is
2 Miss Crystal Kua, who is a director of external affairs
3 with First Wind.

4 MS. KUA: Aloha. Crystal Kua.

5 MS. LIM: And -- good afternoon. Your
6 resume was filed as one of our exhibits?

7 MS. KUA: That's correct.

8 MS. LIM: And your background is in
9 doing --

10 MS. KUA: My kuleana includes community
11 outreach.

12 MS. LIM: Exhibit 4, I believe is what
13 we --

14 MS. KUA: That's correct.

15 MS. LIM: And you also provided written
16 direct testimony as Exhibit 20?

17 MS. KUA: Yes. That's correct.

18 MS. LIM: So if you would briefly tell
19 the commissioners what kind of community outreach you
20 did, and then we can let them ask questions.

21 MS. KUA: I've been with First Wind for
22 a little over a year now, and one of my main tasks was to
23 go out and outreach to different segments of the
24 community, different stakeholders, to not only brief them
25 about all of our solar projects, but to also obtain

1 feedback from them. Because the ag component was an
2 important part of what we were doing with this project,
3 we also -- we outreached to community leaders, different
4 neighborhood boards, also government officials, and
5 members of the ag community in order to get feedback on,
6 you know, compatible ag and what would be some of the
7 best practices out there.

8 MS. LIM: Has the project gotten any
9 letters of support?

10 MS. KUA: Yes. We've received letters
11 of support from -- you know, I can't think right now, but
12 it's Pacific Resource Partnership, with the Hawaii
13 Renewable Energy Association, we've received -- there's a
14 support from Tin Roof Ranch, and right now that's all --

15 MS. LIM: I believe the land owner also
16 expresses support?

17 MS. KUA: Yes, Castle & Cooke has also
18 sent a letter of support.

19 MS. LIM: And Blue Planet?

20 MS. KUA: And Blue Planet Foundation,
21 that's correct.

22 MS. LIM: So my last question for you
23 would be were there any presentations made to
24 neighborhood boards on this project?

25 MS. KUA: Yes. We made presentations

1 to three neighborhood boards, the Mililani Neighborhood
2 Board, the Mililani Mauka Neighborhood Board and the
3 Pearl City Neighborhood Board. Two of those boards, the
4 Mililani Neighborhood Board and the Pearl City
5 Neighborhood Board passed unanimous resolutions of
6 support.

7 MS. LIM: Any questions?

8 COMMISSIONER HAZAMA: Any questions,
9 Commissioners? All right. Thank you very much. That
10 concludes your presentation?

11 MS. LIM: That does conclude our
12 presentation, Chair.

13 COMMISSIONER HAZAMA: Commissioners,
14 any questions for Applicant at this time? Okay, seeing
15 none, I will open it up for public testimony. Is there
16 anyone in the audience that hasn't testified yet that
17 would like to do so? Sir, step forward.

18 MR. VINA: My name is Cruz Vina, I'm
19 the chairperson for the Pearl City Neighborhood Board.
20 Wren and Crystal made a presentation before the Pearl
21 City Neighborhood Board. All the questions were asked
22 similar to what the commissioners are asking now. Some I
23 remember, what about the vegetation that's under the
24 panels, would it deteriorate the land. Now that the
25 sheep is there and there's a source of fertilizer from

1 the sheep, it can replace the land out there in Pearl
2 City. Another question was about what about -- what
3 about the runoff. That was the main concern. But
4 because there's no traffic in that area, we understand
5 that the water would be soaked into the ground, so after
6 a lengthy discussion with Wren and Crystal, the Pearl
7 City Neighborhood Board supports the -- this project,
8 First Wind, and we ask that the commission also give
9 their approval for this process. Thank you.

10 COMMISSIONER HAZAMA: Thank you very
11 much. Commissioners, any questions? No? Thank you very
12 much. Anyone else interested in testifying before the
13 commission at this time? Okay, seeing none, seeing none,
14 at this time I'll ask the applicant to stay there and
15 department can come up again.

16 MR. YOUNG: Raymond Young representing
17 the Department of Planning and Permitting. I'd like to
18 just make one clarification. I think Mr. Luersen had
19 mentioned that switchyards and transformer -- I mean
20 yeah, substations are permitted in the state ag.
21 Generally that's correct, but the specific language is
22 transformer stations are permitted. So we had a
23 discussion among ourselves, too, that perhaps a
24 switchyard doesn't transform voltage from one low level
25 to an upper level or verse versa, maybe that was one that

1 wouldn't be permitted. Thank you.

2 COMMISSIONER HAZAMA: Okay.

3 Commissioners, any questions for staff at this time?

4 COMMISSIONER SODARO: Raymond, the
5 applicant had mentioned that the initial application was
6 then submitted in June. Could you speak to why it was
7 resubmitted, or just provide a summary?

8 MR. YOUNG: We generally look at the
9 applications and make sure it conforms to the
10 requirements of our guidelines, and there was a technical
11 issue, I think had to do with the acreage, and some other
12 things that we normally have seen in a past solar
13 application by, I think it was Solar Hub, with the things
14 that they needed to address, but which was required to be
15 addressed in that application, glint and glare, for
16 example, wasn't included in the first application.
17 That's my recollection. So when I point out some of the
18 things that we'd like to see, you know, in their
19 application, so that there was a -- that kind of
20 information would be all in the package, so that would
21 make our job easier, in which they complied, I think.

22 COMMISSIONER SODARO: Thank you.

23 COMMISSIONER HAZAMA: Commissioners,
24 any other questions? Question from -- I guess to the
25 department. The director's not here, but he indicated

1 that while the department is leaning towards support in
2 this, that it's fairly -- you guys are fairly close in
3 regards to completing the director's report and the
4 signature. Would the department be able to complete that
5 report by the 23rd of this month?

6 MR. YOUNG: It's possible. It's
7 possible. But I cannot commit for the department. I'm
8 sorry.

9 MS. SOKUGAWA: Good afternoon,
10 Commissioners. Kathy Sokugawa, Department of Planning
11 and Permitting. I would echo what Ray just said, we
12 cannot commit. I don't know how, you know, this is the
13 holiday season, lots of people are out of the office, but
14 I can say that a prefinal draft has been prepared, so we
15 just need to get it finalized and out for signatures. It
16 could be done by the 23rd, I can't promise that.

17 COMMISSIONER HAZAMA: I mean I guess
18 the commission is willing to continue the meeting to the
19 23rd to reconvene again. However, we need assurances
20 from the department that the report would be ready, you
21 know, otherwise we wouldn't be able to do so.

22 MS. SOKUGAWA: I can only say that we
23 will try our very hardest to comply with that. And you
24 will get it from Gloria, Gloria will give it to you as
25 soon as it's signed, and she's very good at E-mailing you

1 directly, so -- and we will definitely make the effort to
2 provide extra time to acquire that letter. I don't want
3 to promise you and then not fulfill it.

4 COMMISSIONER HAZAMA: Okay. So
5 basically you cannot -- you cannot commit to --

6 MS. SOKUGAWA: Right. I mean they're
7 asking us for what, four days, four working days.

8 COMMISSIONER HAZAMA: Correct.

9 COMMISSIONER PACOPAC: Well, the
10 director said, that, you know, that you guys are really
11 leaning towards approval.

12 MS. SOKUGAWA: Oh, totally, and all the
13 first --

14 COMMISSIONER PACOPAC: Your prefinal is
15 already done.

16 MS. SOKUGAWA: Yes.

17 COMMISSIONER PACOPAC: The reason why
18 we're asking for the 23rd is because of the time line for
19 these applicants. And the 23rd is -- we will hold the
20 date, we've pulled our commissioners to get rid of our
21 holiday time to come here to provide them with some kind
22 of detail for the project. And we need your guys'
23 commitment, because if we come and you guys don't have
24 it, we can't do anything.

25 MS. SOKUGAWA: Right. And I appreciate

1 that and I want to apologize on behalf of the department
2 for being late with our report, and I want to also
3 emphasize, and it was neither here nor there, but the
4 state law was changed, and so it's not a very well
5 written provision, and so we've been grappling with the
6 details of how to enforce it, how to interpret it, also
7 downstream effects on this, what things that we should
8 take up with the SUP, what things we should defer to the
9 conditional use permit. So there's a lot of technical
10 detail oriented things that we're trying to work out now,
11 so that at the end, it goes off flawlessly, seamlessly
12 for both the applicant as well as the department and the
13 Land Use Commission. So again, it's not like we were
14 intentionally trying to delay the process, but it has
15 been a bit difficult for us.

16 COMMISSIONER HAZAMA: Okay.

17 MS. SOKUGAWA: What time on the 23rd?

18 COMMISSIONER HAZAMA: 1:30.

19 MS. SOKUGAWA: So that we could
20 reconvene at 1:30, which means you would really rather
21 have it on the 21st or the 22nd.

22 COMMISSIONER HAZAMA: But we're willing
23 to hold off until the 23rd just to be safe.

24 COMMISSIONER TOLENTINO: Can the
25 director be reached by telephone?

1 MS. SOKUGAWA: Right now?

2 COMMISSIONER TOLENTINO: Yeah.

3 MS. SOKUGAWA: I suppose.

4 COMMISSIONER TOLENTINO: Would he be
5 the one that makes the decision?

6 MS. SOKUGAWA: But it's a lot of moving
7 parts.

8 COMMISSIONER TOLENTINO: Oh, okay.

9 MS. SOKUGAWA: I mean again, it's an
10 internal bureaucracy. I mean many hands touch the paper.

11 COMMISSIONER HAZAMA: You want time to
12 reach the director or --

13 MS. SOKUGAWA: It's a matter of again,
14 working out those little details. I don't know how long
15 that's going to take. Chair Hazama, I am willing to say
16 there's a 90 percent chance we can get it to you by that
17 date. There's an 80 percent chance we'll get it to you
18 before the 23rd.

19 COMMISSIONER HAZAMA: We cannot -- we
20 don't have filing, yeah, we got to file.

21 MS. SOKUGAWA: What time do you have to
22 file by?

23 MR. YOUNG: Six days. Six working
24 days.

25 MS. SOKUGAWA: You have to have it in

1 hand in six days before the meeting?

2 COMMISSIONER HAZAMA: No, we have to
3 file the agenda notice.

4 COMMISSIONER PACOPAC: The agenda
5 notice.

6 COMMISSIONER HAZAMA: Any time we hold
7 a meeting, we have to file it.

8 MS. SOKUGAWA: So you don't have six
9 days for the --

10 COMMISSIONER HAZAMA: No.

11 COMMISSIONER PACOPAC: Do it on the
12 25th.

13 MS. SOKUGAWA: You could do it on the
14 26th.

15 COMMISSIONER HAZAMA: We could. We
16 could.

17 COMMISSIONER SODARO: Can you do it the
18 26th?

19 COMMISSIONER HAZAMA: My issue is we
20 have it on the 26th, how much time are we really --

21 MS. SOKUGAWA: So if you want, we will
22 deliver by the 26th if that's --

23 MS. LIM: It's already moving -- I mean
24 could we -- may I speak? I'm sorry. I just blurted in,
25 but could we file this proposed set of conditions with

1 you folks right now and step out of the room and do the
2 deliberations? I mean would you feel prepared to make a
3 decision based on this set of conditions and then of
4 course your final -- your final written product will be
5 by, you know, a combination of those conditions and then
6 the feedback that comes from the director.

7 COMMISSIONER HAZAMA: I guess taking
8 into consideration the process that we have to follow
9 legally. The other alternative is our next meeting is on
10 the 7th, in which case obviously you guys are looking for
11 minutes, approved minutes as well.

12 MS. LIM: Correct.

13 COMMISSIONER HAZAMA: The applicant,
14 the ultimate goal is to get a package I guess forwarded,
15 a completed and approved package forwarded to the LUC,
16 which is the next step after us. Does Applicant have a
17 date that they would like to see that package forwarded
18 to LUC, and then we can ask the department if they can
19 commit to that date, taking into consideration, you know,
20 the processes that we have to follow in our dates as
21 well.

22 MS. LIM: Sure.

23 COMMISSIONER HAZAMA: If you want a
24 minute to confer.

25 MS. LIM: Actually, Chair, we have

1 spoken about this, and if at all possible, we would like
2 to have the complete package, the record, the transcript,
3 the decision to the LUC by January 31.

4 COMMISSIONER HAZAMA: Okay. Can the
5 department commit to sending the package to L -- a
6 completed package to LUC by the 31st or --

7 MS. SOKUGAWA: Yeah, we can commit to
8 that.

9 COMMISSIONER HAZAMA: Okay. Does that
10 satisfy the applicant? Obviously you came up with the
11 date so --

12 MS. LIM: It's what we asked for.

13 COMMISSIONER HAZAMA: Having said that,
14 then we will maintain -- we'll continue --

15 COMMISSIONER PACOPAC: Get the right
16 language.

17 COMMISSIONER HAZAMA: So we need a
18 motion on record to continue this meeting to January 7,
19 2015, 1:30 p.m. at the Mission Memorial Conference Room.

20 COMMISSIONER YOUNG: Motion.

21 COMMISSIONER TOLENTINO: Second.

22 COMMISSIONER HAZAMA: So moved and
23 seconded. Any objection? Any abstention? The motion is
24 carried. This meeting will be continued to January 2,
25 2015.

1 COMMISSIONER TOLENTINO: 7th.

2 COMMISSIONER HAZAMA: I'm sorry,
3 January 7 at 1:30 in the Mission Memorial Conference
4 Room.

5 MS. LIM: Thank you, Commissioners.

6 COMMISSIONER HAZAMA: Motion to
7 adjourn.

8 COMMISSIONER YOUNG: Motion.

9 COMMISSIONER PACOPAC: Second.

10 COMMISSIONER HAZAMA: Moved and
11 seconded. Meeting adjourned. Thank you very much.

12 (Meeting adjourned at 3:24 p.m.)

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C E R T I F I C A T I O N

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I, SHIRLEY L. KEYS, Certified Shorthand Reporter of the State of Hawaii, do hereby certify that the foregoing is a true and correct transcript of the stenographic notes of the testimony taken by me in the above-captioned matter.


SHIRLEY L. KEYS, CSR #383

Dated: December 22, 2014

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