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BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

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In the Matter of the Petition of

HALEKUA DEVELOPMENT CORPORATION, a Hawai'i corporation

To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 503.886 Acres at Waikele and Hō'ae'ae, 'Ewa, O'ahu, City and County of Honolulu, State of Hawai'i, Tax Map Key No. 9-4-02: 01, portion of 52, 70 and 71 DOCKET NO. A92-683

AMENDED ORDER GRANTING SUCCESSOR PETITIONER (AS TO PARCEL 52), HO'OHANA SOLAR 1, LLC'S MOTION FOR MODIFICATION AND TIME EXTENSION; AND CERTIFICATE OF SERVICE

AMENDED ORDER GRANTING SUCCESSOR PETITIONER (AS TO PARCEL 52) HO'OHANA SOLAR 1, LLC'S MOTION FOR MODIFICATION AND TIME EXTENSION

AND

CERTIFICATE OF SERVICE

This is to certify that this is a true and correct copy of the document on file in the office of the State Land Use Commission, Honolulu, Hawai'i.

<u>November 1, 2021</u> by

Executive Officer



STATE OF H

2021 NOV -1 A - 50

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of) DOCKET NO. A92-683
HALEKUA DEVELOPMENT CORPORATION, a Hawai'i corporation)) AMENDED ORDER GRANTING) SUCCESSOR PETITIONER (AS TO) PARCEL 52) HO'OHAMA SOLAR 1 LLC'S
To Amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 503.886 Acres at Waikele and Hō'ae'ae, 'Ewa, O'ahu, City and County of Honolulu, State of Hawai'i, Tax Map Key No. 9-4-02: 01, portion of 52, 70 and 71) PARCEL 52), HO'OHANA SOLAR 1, LLC'S) MOTION FOR MODIFICATION AND TIME) EXTENSION; AND CERTIFICATE OF) SERVICE)

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AMENDED ORDER GRANTING SUCCESSOR PETITIONER (AS TO PARCEL 52) HO'OHANA SOLAR 1, LLC'S MOTION FOR MODIFICATION AND TIME EXTENSION

On August 17, 2020 Ho'ohana Solar 1, LLC (hereinafter "Ho'ohana" or "Movant"), as

Successor Petitioner to a portion of the original 503.886-acre Petition Area identified as Tax

Map Key ("TMK") No. 9-4-002: 052 ("Parcel 52") filed with the Land Use Commission of the

State of Hawai'i ("Commission") a Motion for Modification and Time Extension in Docket No.

A92-683 (hereinafter the "Motion"), requesting the Commission to: (1) allow modification to the

solar farm previously authorized; and, (2) extend the timeframe for development of the modified

solar farm.

The Commission, having examined the testimony, evidence, and arguments of counsel presented during the hearings, along with public testimony and the pleadings filed by all parties

herein, hereby makes the following findings of fact, conclusions of law, and decision and order:

FINDINGS OF FACT

A. PROCEDURAL MATTERS

1. On August 17, 2020, Ho'ohana filed its Motion for Modification and Time Extension; Memorandum in Support of Motion; Verification; Affidavit of Derek B. Simon; Exhibits 1-14; and Certificate of Service, requesting the Commission to: (1) allow modification to the solar farm previously authorized; and, (2) extend the timeframe for development of the modified solar farm.

2. Robinson Kunia Land LLC ("RKL"), the fee owner of Parcel 52, acknowledged and consented to Ho'ohana filing the Motion.

3. On August 24, 2020, the City and County of Honolulu by its Department of Planning and Permitting ("County" or "DPP"), and the State of Hawai'i by its Office of Planning and Sustainable Development ("OP"), filed for extensions of time to respond.

4. On August 25, 2020, Petitioner Haseko Royal Kunia, LLC ("Haseko"), successor landowner (as to parcels 070 and 071) filed a Motion in Opposition¹ to Ho'ohana's Motion ("Haseko's Opposition Memo"); Memorandum in Support of Motion; Joinder of HRT Realty, LLC and Jupiter Investors II, LLC.

5. On August 26, 2020, the Commission mailed approval for requests to extend the comment period to OP, the County, and other parties in the original Petition.

¹ Pursuant to HAR 15-15-70(e) allows counter affidavits and memorandums in opposition to a motion to be filed. In addition, Haseko's filings, including the HRT/Jupiter Investors joinder, were not properly or timely filed to Movant. Haseko's filing was treated as a memorandum in opposition rather than a separate motion.

 On September 18, 2020, OP filed its Response to Ho'ohana's Motion ("OP Response"); and, Exhibits 1-5.

 On September 18, 2020, DPP filed its Position Statement on Ho'ohana's Motion ("County Position").

8. On September 22, 2020, Haseko filed a letter addressed to the Commission's Chief Clerk regarding an amended certificate of service.

9. On September 25, 2020, the Movant filed the following:

- a. Reply to Haseko's Motion in Opposition to Ho'ohana's Motion ("Reply to Haseko");
- b. Reply to OP's Response ("Reply to OP");
- c. Reply to County Position Statement (Reply to County");
- d. Ho'ohana's First List of Witnesses; and,
- e. Ho'ohana's First List of Exhibits, Declaration of Derek Simon, and Exhibits 15-53.

On September 29, 2020, the Commission mailed notice of its scheduled October
 7-8, 2020 Zoom webinar meeting and agenda to the Statewide, O'ahu and Maui mailing and
 email lists.

11. On September 30, 2020, Haseko filed a Notice of Appearance of Co-Counsel for Haseko - Steven Chung.

12. Between October 1- 8, 2020, the Commission received written testimony from the following: Kimo Spector and Rebecca Dayhuff Matsushima (Hawaiian Electric); Tyler Dos Santos-Tam and Melvin Silva (Bricklayers Union); Jill Baptist (Carpenters Union); Nathaniel Kinney (Hawai'i Construction Alliance); Ryan Kobayashi (Hawai'i. Laborers & Employee Cooperation and Education Trust Fund); Joy Kimura; Dean Okimoto; Richard Ha, Scott Fujii, Michelle Kidani (State Senator); Denise Yamaguchi (HI Agricultural Foundation); Chris

Delaunay (Pacific Resources Partnership); Dan Kouchi (Chamber of Commerce Hawaiʻi); Samantha Ruiz (Ulupono Initiative); Ty Cullen (State Representative, District 39); Nicole Lowen (State Representative, District 6); Keith Hayashi (Waipahu High School); Glen Wakai (State Senator); and, Albi Mateo and Wayne Nakamoto (Royal Kunia Community Association); and, Leslie Wilkins (Maui Economic Development Board).

13. On October 1, 2020, Haseko filed a Declaration of Sharene S. Tam; and Exhibits1-4.

14. On October 5, 2020, Haseko filed Declaration of Michael H. Lau; and Exhibit 5

15. On October 7, 2020, OP filed OP Revised Exhibit 1 and Exhibit 6.

16. On October 7 and 8, 2020, the Commission met in Honolulu, Hawai'i using the Zoom webinar platform, to consider Ho'ohana's Motion for Modification and Time Extension. Jennifer Lim, Esq., Derek Simon, Esq. and John Manaut, Esq. appeared on behalf of Ho'ohana; Michael Lau, Esq. and Steven Chuang, Esq. appeared on behalf of Haseko and HRT; Mollie Stebbins, Esq. appeared on behalf of the County; and Dawn Apuna, Esq. appeared on behalf of OP.

17. Commissioner Scheuer disclosed that his wife is employed by Group 70 International, which is the firm that employs Jeffrey Overton, one of Ho'ohana's expert witnesses. Commission Scheuer stated that his wife had no involvement in the matter before the Commission. Ho'ohana, Haseko, DPP, and OP acknowledged this disclosure and each stated that they had no objections to Commissioner Scheuer's participation in the matter under consideration.

Commissioner Aczon disclosed that during the course of his work with the
 Hawai'i Carpenters Training Program he interacts with many of those representing unions that

provided public testimony. Ho'ohana, Haseko, DPP, and OP acknowledged this disclosure and each stated that they had no objections to Commissioner Aczon's participation in the matter under consideration.

19. Chair Scheuer recognized the submitted written testimony of: Joy Kimura Government Affairs and Compliance- Hawai'i Laborers & Employee Cooperation and Education Trust Fund, Dean Okimoto, Richard Ha, Scot Fuji/ State Senator Michelle Kidani, Denise Yamaguchi- Executive Director, Hawai'i Agricultural Foundation, Chris Delaunay- Pacific Resource Partnership (PRP), Dan Kouchi- Chamber of Commerce Hawai'i, Samantha Ruiz – Ulupono Initiative- Murray Clay, State Representative Ty Cullen – District 39, State Representative Nicole Lowen – District 6, Keith Hayashi- Waipahu High School Principal, State Senator Glenn Wakai, Albi Mateo/Wayne Nakamoto – Royal Kunia Community Association, Maui Economic Development Board- Leslie Wilkins President & CEO, Kimo Spector and Rebecca Dayhuff Matsushima for Hawaiian Electric, Tyler Dos Santos-Tam and Melvin Silva for the International Union of Bricklayers and Allied Craftworkers Local #1, Jill Baptist of the Hawai'i Carpenters Union, Nathaniel Kinney of Hawai'i Construction Alliance, Ryan Kobayashi for Government Affairs for Hawai'i Laborers' Union Local 368.

20. The Commission provided an opportunity for public testimony and received public testimony from David Tanoue and Chris Delaunay.

21. Ho'ohana provided the oral testimonies of the following witnesses: Jeffrey H.Overton and Laurence Greene.

22. Haseko provided the oral testimony of Sharene Tam.

23. DPP provided the oral testimony of Eugene Takahashi, Deputy Director for DPP.

24. OP provided the oral testimony of Janice Fujimoto, Department of Agriculture ("DOA").

25. On October 8, 2020, following completion of the parties' respective cases-inchief, the Commission closed the evidentiary portion of the proceedings. The parties provided their formal final arguments, and the Commission started its deliberations on the Motion to Amend.

26. Commissioner Wong moved to approve Ho'ohana's Motion with the Condition B additions proposed by OP; Commissioner Ohigashi seconded the motion to approve. Discussion ensued and Commissioner Chang offered a friendly amendment that Condition A be included in the preliminary motion.

27. Commissioners Wong and Ohigashi accepted the friendly amendment by Commissioner Chang.

28. Commissioner Giovanni offered a friendly amendment to the once amended motion to include a condition to decommission and restore the Petition Area if the proposed project was not completed as represented.

29. Commissioner Wong did not accept the friendly amendment. Discussion ensued to clarify how to handle the two competing motions. It was determined that Commissioner Giovanni could make a separate Motion which would be identical to Commissioner Wong's but would include his additional condition.

30. Commissioner Giovanni made a motion to approve Ho'ohana's Motion with the Condition A and B additions proposed by OP and to include a condition to decommission and restore the Petition Area if the proposed project was not completed as represented; Commissioner Okuda seconded the motion to approve.

31. Discussion ensued on both motions and Chair Scheuer reconfirmed with OP and Petitioner on what conditions were actively being requested for consideration by the Commission. Ms. Apuna and Ms. Lim restated the Conditions they wished to have the Commission approve.

32. Commissioner Wong sought clarification on whether Ms. Lim had objections to OP's condition B7 being included in the Motion. Ms. Lim responded that she had no objection to the additional condition.

33. Commissioner Wong withdrew his motion after Ms. Lim confirmed that she had no objections to OP's condition B7. Commissioner Ohigashi agreed to the withdrawal of Commissioner Wong's motion.

34. On October 8, 2020, the Commission made and seconded a motion to grant the motion with the proposed Ho'ohana Solar conditions, the conditions proposed by OP in its Revised Exhibit 1, and Commissioner Giovanni's added Condition to decommission and restore the Petition Area if Petitioner failed to obtain a PPA extension.

35. There being a vote tally of 8 ayes, 0 nays, and 1 vacant seat, the motion carried.

B. <u>DESCRIPTION OF THE PETITION AREA</u>

36. The Petition Area is located at Waikele and Hōʻaeʻae, 'Ewa, Oʻahu, and was identified as Tax Map Key ("TMK") Nos. 9-4-02: 1 (por.) and 52 (por.) at the time of the 1993 Petition for DBA. The current TMK designations of the Petition Area are (1) 9-4-002: 001, 052, 070, 071, 078, and 079. The Petition Area is located approximately 1.2 miles north of the Kunia Interchange of Interstate Route H-1. The Petition Area is bounded on the south by the Royal Kunia Phase I residential subdivision; on the west by Kunia Road; on the east by Waikele Stream; and on the north by overhead electrical transmission lines. At the northwest corner of the Petition Area is an approximately 150-acre State agricultural park.

37. TMK No. (1) 9-4-002:052 ("Parcel 52") consisting of approximately 161.023 acres, is within the 503.886 acre² Petition Area that was reclassified from the State Land Use ("SLU") Agricultural District to the SLU Urban District by the State Land Use Commission ("Commission" or "LUC") as documented in that certain *Findings of Fact, Conclusions of Law, and Decision and Order*, filed December 9, 1993 ("Original D&O").

C. KUNIA AGRICULTURAL PARK

38. A 150-acre agricultural park owned by the State of Hawai'i Department of Land and Natural Resources ("DLNR") and developed as the Royal Kunia Agricultural Park by the State of Hawai'i Department of Agriculture ("DOA") is to the northwest of the Petition Area, at TMK No. (1) 9-4-002:080. The 150-acre state agricultural park ("Kunia Agricultural Park") was not proposed for reclassification and remains in the SLU Agricultural District.

39. Halekua had agreed with the DOA that in the event that Halekua's Petition for District Boundary Amendment was granted, Halekua would convey free and clear title to the 150 acres for the agricultural park to be subdivided into a number of agricultural lots to be farmed by individual farmers, upon the earlier of six months after receiving the necessary land use approvals from the State of Hawai'i and the City and County of Honolulu, or by December 31, 1997, whichever was soonest.

40. The conveyance of the Kunia Agricultural Park land was pursuant to a Memorandum of Understanding ("MOU"), dated March 30, 1993, by and between Halekua and the Department of Agriculture of the State of Hawai'i ("DOA"), whereby Halekua agreed to

² Halekua Development Corporation ("Halekua") was the original Petitioner in this Docket. On September 6, 1995, in response to Halekua's oral request to correct the metes and bounds description of the Petition Area, the Commission issued its *Order Granting Motion to Correct Metes and Bounds Description of the Petition Area.* The Petition Area was thereafter comprised of approximately 503.886 acres (rather than the original 504.865 acres).

convey 150 acres of land to the State of Hawai'i for the purpose of establishing the Kunia Agricultural Park.

41. Pursuant to the MOU, Halekua also agreed to design and construct off-site infrastructure improvements for the agricultural park including off-site roadways, potable and irrigation water lines, and sewer lines and other utility connections, up to the property boundary of the agricultural park at no cost to the DOA no later than June 30, 2001.

42. Condition No. 19 of the 1996 Order required Petitioner to convey the agricultural park to the State of Hawai'i and provide off-site infrastructure to the agricultural park, pursuant to the terms of the MOU.

43. In 2004, the HRT Entities conveyed 150 acres identified by TMK No. 9-4-002:080 to the State of Hawai'i for use as the Kunia Agricultural Park.

D. DEVELOPMENT AND PHASING FOR ROYAL KUNIA PHASE II

44. The connection points for the infrastructure for the Royal Kunia Phase II project, including off-site water, sewer, and drainage system was developed in the Royal Kunia Phase I infrastructure, the majority of which was designed to accommodate future development in the Royal Kunia Phase II project.

45. It was anticipated that the Royal Kunia Phase II project would be developed over a 12-year period. The affordable multi-family units were to be developed proportionately along with the market single-family units.

46. The Commission did not impose a specific condition under the Halekua Orders setting forth a timeframe for development, or a development deadline for the Royal Kunia Phase II project. Halekua's estimated timeframe for development of Royal Kunia Phase II has passed.

47. Various legal proceedings, including a bankruptcy proceeding in the 2000s, resulted in Halekua losing control of the Petition Area and caused a delay in development of the Royal Kunia Phase II project.

48. Three increments are planned for Royal Kunia Phase II. Increments 1 and 2 are proposed to be developed on TMK Nos. 9-4-002: 001, 070, 071, 078 and 079, which are currently owned by Haseko Royal Kunia, LLC, HRT Realty, LLC, and RKES, LLC. Increments 1 and 2 are proposed for development of an approximately 123 acre industrial park, school, and both single-family and multi-family residential units. Increment 3 is proposed to be developed on Parcel 52 with residential units.

49. Construction of Royal Kunia Phase II, Increments 1 and 2 have not yet commenced. However, the lands within Increments 1 and 2 were rezoned to allow for the proposed development by the City Council in 1995 and 1997.

50. Increment 3 has not been rezoned by the City Council. Increment 3 was always planned to be developed after Increments 1 and 2. The development of Increment 3 is intended to utilize the infrastructure built as a part of the completion of Increments 1 and 2.

E. <u>DESCRIPTION OF PARCEL 52</u>

51. Parcel 52 is currently zoned by the City and County of Honolulu as Restricted Agricultural AG-1 and is currently being actively farmed.

52. The slope of Parcel 52 varies from 2% to 15%.

53. Parcel 52 is 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. The State's Kunia Agricultural Park is located to the west, vacant military and federal zoned land to the east, and the proposed Royal Kunia Phase II, Increments 1 and 2 development located to the southwest.

54. Access to the proposed solar farm on Parcel 52 is along Plantation Road, an existing, partially paved and privately owned roadway.

F. <u>2015 SOLAR PROJECT PROPOSED FOR PARCEL 52 AKA ROYAL KUNIA</u> <u>PHASE II, INCREMENT 3</u>

55. Pursuant to its January 28, 2015 Order Granting Successor Petitioner (to parcel 52) Ho'ohana Solar I, LLC's Motion for Order Amending the Amended Findings of Fact, Conclusions of Law, and Decision and Order, the Commission authorized the use of Parcel 52 for the development and operation of a utility-scale solar energy project to be developed by Ho'ohana ("2015 Solar Project").

56. The Commission's 2015 Order determined that development of a utility-scale solar farm on Parcel 52 would not affect or impair the preservation or maintenance of natural systems and habitats or the valued cultural, historical, agricultural, and natural resources of the area.

57. The 2015 Order authorized the development of the 2015 Solar Project for an operational period not to exceed 35 years, including decommissioning. The 2015 Solar Project was projected to be in operation until 2052, and then decommissioned.³

58. The 2015 Solar Project was to use approximately 124 acres within Parcel 52 and was designed to generate 20 MW of electricity to be sold to HECO and transmitted from Parcel 52 via a 46 kilovolt ("kV") transmission line.

59. The Commission's authorization under the 2015 Order was subject to seven conditions of approval – Conditions B.1 to B.7. The 2015 Order is clear that those conditions "…shall be applicable only to the solar farm on Parcel 52, and shall be applicable only upon development of the solar farm use on Parcel 52."

³ Under the 2015 Order, the project was to be substantially completed by January 28, 2017 (see 2015 Order, Condition B.5)

60. The 2015 Solar Project did not move forward due to the PUC's denial, at that time, of HECO's request for approval of a PPA with Ho'ohana. Therefore, under the Commission's 2015 Order, Ho'ohana was not obligated to satisfy the conditions.

G. STATUS OF COMPLIANCE WITH CONDITIONS FOR PARCEL 52

61. Consistent with Condition A.1. of the 2015 Order, and in light of the fact that the 2015 Solar Project was not permitted to move forward, the obligation to satisfy the Agricultural Park offsite infrastructure requirements is required to be addressed by one of the Petition Area landowners.

62. RP2 Ventures, LLC (immediate prior owner of 161.36 acres within the Petition Area)⁴ entered into a Fourth Amendment to Amendment and Restating of Memorandum of Understanding with the DOA ("DOA MOU"), committing to complete the DOA irrigation infrastructure, including the waterline referred to in the 2015 Order, by February 28, 2021, and completing the construction and installation of the remainder of the infrastructure to service DOA by June 30, 2021, unless otherwise approved by DOA. RP2 Venture, LLC reported this to the Commission through its annual report submitted July 9, 2020, which included a copy of the latest DOA MOU.

63. Consistent with Condition B.2. of the 2015 Order, Ho'ohana consulted with the United States Fish and Wildlife Service ("USFWS") to coordinate appropriate programs and measures to mitigate any potential impacts to endangered and migratory avian species. Ho'ohana committed to: (a) not conducting any tree clearing during the roosting season for the Hawaiian hoary bat, from June 1 through September 15; and (b) monitoring for ponding while conducting any grading work during stilt-nesting season.

⁴ On August 12, 2020, RP2 Ventures, LLC sold TMK No. (1) 9-4-002:071 to Haseko Royal Kunia, LLC.

64. Consistent with Condition B.3. of the 2015 Order, Ho'ohana had an archaeological inventory survey ("AIS") conducted and submitted to DLNR State Historic Preservation Division ("SHPD") for its review. The AIS concluded that Parcel 52 had been extensively cultivated, that no traditional Hawaiian archaeological sites or features were present on the surface, what remains are remnant plantation features that have been adequately documented, and that there was little potential to encounter intact subsurface cultural deposits.

65. SHPD approved the AIS by letter dated February 19, 2015.

66. Consistent with Condition B.4. of the 2015 Order, Ho'ohana conducted a Solar Glare Hazard Analysis Report and submitted the report to the Federal Aviation Administration ("FAA"). The FAA issued a Determination of No Hazard to Air Navigation for the 2015 Solar Project.

67. Solar farm development within Parcel 52 does not raise the potential for hazards to safe air navigation at State of Hawai'i airports.

68. Consistent with Condition B.5. of the 2015 Order, Ho'ohana shall substantially complete the 2020 Solar Project within two years from the approval date of this Decision and Order.

69. Consistent with Condition B.6. of the 2015 Order, Ho'ohana shall develop the 2020 Solar Project on Parcel 52 in substantial compliance with its representations to the Commission.

70. Consistent with Condition B.7. of the 2015 Order, Ho'ohana commits to the same decommissioning obligations for the 2020 Solar Project, including the amendments proposed and contained herein by the Commission.

H. ADDITIONAL INFORMATION AND STUDIES FOR PARCEL 52

71. Ho'ohana prepared a construction traffic assessment in June 8, 2020. The assessment concluded that the 2020 Solar Project traffic impacts will be negligible during its operational life and only temporary impacts during construction that will not require roadway capacity enhancements.

72. Ho'ohana has committed to the following traffic measures to address the temporary impacts during construction:

- Installing temporary signage on mauka-bound Kunia Road between 'Anonui Street and Plantation Road indicating the presence of trucks and that they are entering/exiting the roadway near Plantation Road;
- Installing temporary signage on makai-bound Kunia Road between the Hawai'i Country Club and Plantation Road indicating the presence of trucks and that they are entering the roadway from Plantation Road;
- Field verifying available sight distance and maintain adequate sight distance for drivers exiting Plantation Road and turning onto Kunia Road. Maintenance, including pruning vegetation and not installing signage or other barriers that would block driver's field of vision at the intersection; and,
- Extending the painted median solid line delineating the "Do Not Pass" zone for mauka-bound vehicles at least an additional 500 feet in the makai direction.

73. Ho'ohana had a view study prepared, dated May 15, 2020, that concluded the2020 Solar Project would not adversely affect any views or sightlines.

74. Ho'ohana prepared a *Cultural Impact Assessment of Ho'ohana Solar Energy Facility, Waikele and Ho'ae'ae Ahupua'a, 'Ewa District, Island of O'ahu,* dated July 2020 ("CIA").

75. The CIA provides a detailed account of the cultural and historical significance of the Waikele and Ho'ae'ae Ahupua'a, where Parcel 52 is located. Community outreach was received from a total of 23 individuals and organizations. There was little substantive feedback on the extent to which traditional and customary rights were being exercised in or around Parcel 52.

76. The CIA concludes that the Hawaiian sense of place was essentially erased from Parcel 52 over more than a century of plantation agriculture; and, that traditional and customary practices are overwhelmingly focused on the makai areas at or near the shoreline of Pearl Harbor and the mouths of Waikele and Ho'ae'ae streams.

77. The CIA further concludes that the 2020 Solar Project will not result in adverse impacts on traditional and customary practices associated with Parcel 52; cultural resources that support such practices; or, other beliefs about Parcel 52 that relate to such practices and resources. The CIA indicates that Parcel 52 does not include any valued cultural or historic resources, and therefore, does not recommend any protective measures.

78. Ho'ohana prepared a biological survey for Parcel 52 that found no threatened or endangered species, or federally-declared critical habitat on the parcel. The vegetation over most of Parcel 52 has been controlled by past land use. In addition, no wetlands or streams were located; only two common native plants; and, no animal species of interest or concern. The survey report concluded that the 2020 Solar Project would not adversely impact any biological resources.

79. Ho'ohana has engaged in continued community outreach with Royal Kunia Homeowners Association, Village Park Association, Waipahu Neighborhood Board, Hawai'i Agricultural Research Center, Royal Kunia Country Club, various business interests, and all landowners within the Petition Area. In addition, Ho'ohana has solicited feedback from Federal, State, and County agencies.

I. <u>2020 SOLAR PROJECT PROPOSED FOR PARCEL 52</u>

80. Following issuance of the Commission's 2015 Order, the Hawai'i Public Utilities Commission ("PUC") denied Hawaiian Electric Company, Inc.'s ("HECO") request to approve its power purchase agreement ("PPA") with Ho'ohana and two other utility-scale solar projects. As a result, the 2015 Commission-approved solar project did not get developed.

81. The PUC in 2019 approved a PPA between HECO and Ho'ohana for a solar project that will generate 52 megawatts versus the 20 megawatts planned under the previously approved 2015 solar project and now includes a battery energy storage system.

82. Ho'ohana has requested a modification of conditions and extension of time in the Commission's 2015 Order to allow for development of a new utility-scale solar farm ("2020 Solar Project") that would generate substantially more renewable energy than the 2015 Solar Project.

83. The 2020 Solar Project is located entirely within the SLU Urban District, zoned AG-1 Restricted Agricultural District by the City and County of Honolulu ("County"), and wholly within Parcel 52.

84. The 2020 Solar Project will generate approximately 52 megawatts ("MW") with the electricity generated being sold to HECO pursuant to the terms of an existing PPA. The 2020 Solar Project will include a 208 megawatt-hour battery storage system.

85. The 2020 Solar Project provides an AC-coupled battery system rated at 52 MW for four hours of discharge duration. The batteries will be housed in galvanized storage containers that are approximately 53 feet long, located near the Project substation. Each container will be air-conditioned and have a computer-controlled operating and monitoring system and a fire suppression system.

86. The 2020 Solar Project will use approximately 210,000 photovoltaic ("PV") modules mounted on a fixed-tilt racking system versus the 2015 Solar Project's intended use of a ground-mounted single-axis tracking system.

87. PV modules will be dark blue in color, being designed to absorb as much solar energy as possible, and therefore create minimal glare. The planned modules reflect back no more than 1.25% of the light. The modules are less reflective that window glass and water.

88. The racking system for the 2020 Solar Project will be designed in accordance with the building permit structural requirements to withstand hurricane-force winds.

89. Minimal grading is required to accommodate the racking system. Native vegetation will remain beneath and around the racking and will be maintained by a landscaping crew.

90. The 2020 Solar Project includes power stations within the solar array area, connected by an underground power collection system that feeds into the substation located on the north portion of Parcel 52.

91. The 2020 Solar Project includes a substation in the northwestern portion of Parcel
52. The substation will accept and manage electricity generated by the 2020 Solar Project and
the grid in general, including other current and potential future renewable energy projects.

92. The 2020 Solar Project will include a small operations and maintenance building. These will be minimal impact structures, such as a construction trailer and will include its own self-contained septic system.

93. The 2020 Solar Project includes two control buildings (one located inside the substation for the project, and one for HECO to be located within the switchyard).

94. The Project Site will be monitored through a remote security system.

95. Ho'ohana will install temporary water tanks. Water used during construction of the Project will be provided from a nearby hydrant located approximately 1,000 feet from the site. Ho'ohana plans to rely on rainwater to keep the solar modules clean.

96. The 2020 Solar Project makes more efficient use of the land resulting in a 160% increase in renewable energy generation capacity due to improved technology and more efficient design in comparison to the 2015 Solar Project.

97. The 2020 Solar Project is larger and provides substantially more clean renewable energy that the 2015 Solar Project; and, results in a significantly higher corresponding avoidance of imported fuel and reduction in emissions of carbon.

98. The 2020 Solar Project is consistent with the HRS Chapter 226, the Hawai'i State Plan. In particular, HRS §226-18 the State's renewable energy goals and the Hawai'i Clean Energy Initiative that aims to achieve 70% clean energy by the year 2030.

99. The Project will connect to the HECO grid through a 138 kilovolt ("kV") transmission line.

100. Parcel 52 is a viable solar farm site as it is very close to good points of interconnection with the HECO grid.

101. The 2020 Solar Project will be entirely within an approximately 157-acre fenced area of Parcel 52 (the "Project Site").

102. Development and operation of the 2020 Solar Project will not adversely impact traffic.

103. The 2020 Solar Project proposed a 40-year operational period, preceded by approximately two years of permitting and construction, following by one year of decommissioning. This comprises a total of 43 years from the date of the Commission's Decision and Order.

104. Ho'ohana's commercial operation date for the 2020 Solar Project is planned to be in the second half of 2022.

105. Construction of the Project is expected to take less than two years, assuming timely receipt of all necessary approvals. Ho'ohana's contractor will implement mitigation measures and BMPs during construction of the Project to address dust and other impacts.

106. In the event the Project owner fails to secure a PUC-approved extension to its Power Purchase Agreement (PPA) or a new PUC-approved PPA before December 31, 2045, the project owners will immediately commence with decommissioning of the Solar Farm as described in Condition B.7(a) and complete that decommissioning should occur on or before December 31, 2047.

J. <u>SUCCESSOR PETITIONER'S FINANCIAL CAPABILITY TO UNDERTAKE</u> <u>THE PROPOSED DEVELOPMENT</u>

107. The fee owner of Parcel 52 is Robinson Kunia Land LLC ("Robinson") and Ho'ohana holds a long-term ground lease for Parcel 52 for the purpose of developing a utilityscale solar farm.

108. A Memorandum of Lease and Easements was recorded in the Bureau of Conveyances of the State of Hawai'i on March 23, 2020, as Regular Systems Document No. A73870244.

109. Ho'ohana's term under the lease totals 37 years. An initial term that runs for 22 years from the operations commencement date (meaning the date the 2020 Solar Project is operational and selling power), followed by Ho'ohana's option to extend the lease through three five-year extensions.

110. Ho'ohana has obtained and provided fee owner authorization for this Motion.

111. Ho'ohana is wholly owned and controlled by FCHQC Development, LLC, which, in turn, is owned and controlled by Hanwha Energy USA Holdings Corporation ("Hanwha") doing business as 174 Power Global.

112. Hanwha is part of the Hanwha Group of companies. Hanwha Corporation, the parent company of the Hanwha Group, was listed on the Fortune Global 500 list. In 2017, Hanwha Group listed revenues of approximately \$41 billion, assets of \$128 billion and equity of \$37 billion.

113. The Hanwha Group has installed over 35 utility-scale projects worldwide, totaling more than 600 MW in North America and over 1 gigawatt globally; including the 6.17 MW Kalaeloa Renewable Energy Park in Kapolei, Hawai'i, one of the largest utility-scale solar farms on O'ahu.

114. Ho'ohana has the development capital and access to financing funds needed to develop the solar farm Project, as well as the necessary economic ability to carry out its representations and commitments relating to the solar farm.