



**HAWAIIAN HOME LANDS**  
HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

## **Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project**

**Kapolei Middle School  
Thursday, March 21, 2019  
6:00 pm–8:00 pm**

### **Purpose and Agenda**

- 1. Share Information on Renewable Energy and DHHL**
  - **Why/How is DHHL involved in Renewable Energy?**
  - **Why Kalaeloa?**
  - **Why Now?**
- 2. Innergex will Present their Proposed Kalaeloa Solar Project**
- 3. Beneficiary Comments, Concerns, Answer Questions**
- 4. Next Steps:**
  - **How to Submit Comments**
  - **Deadline for Comments**
  - **Public Hearings in June**

## How to Submit Comments

1. Participate in tonight's meeting—we are taking notes.
2. Purple Half-Sheets--Write your comments/concerns on the half-sheet blanks and leave it at the registration table.
3. You can think about it and submit written comments later.

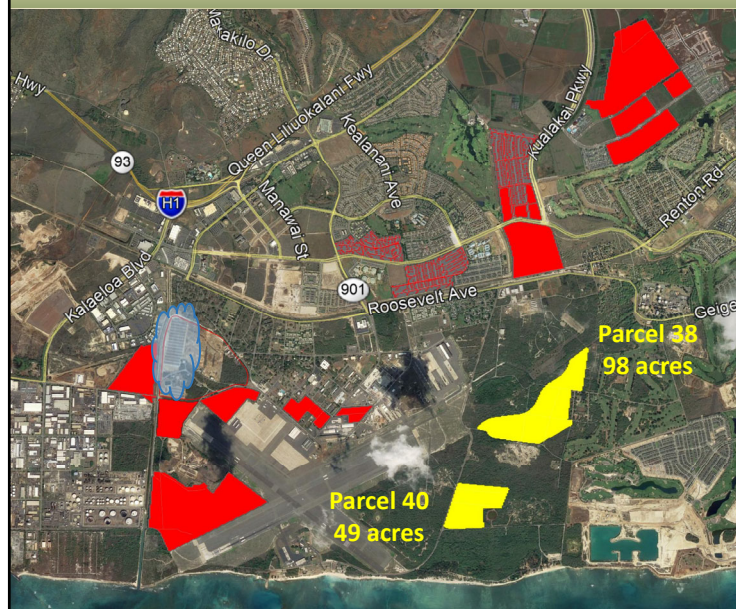
**The deadline for comments is Friday April 5, 2019 (2 weeks)**

Written comments can be:

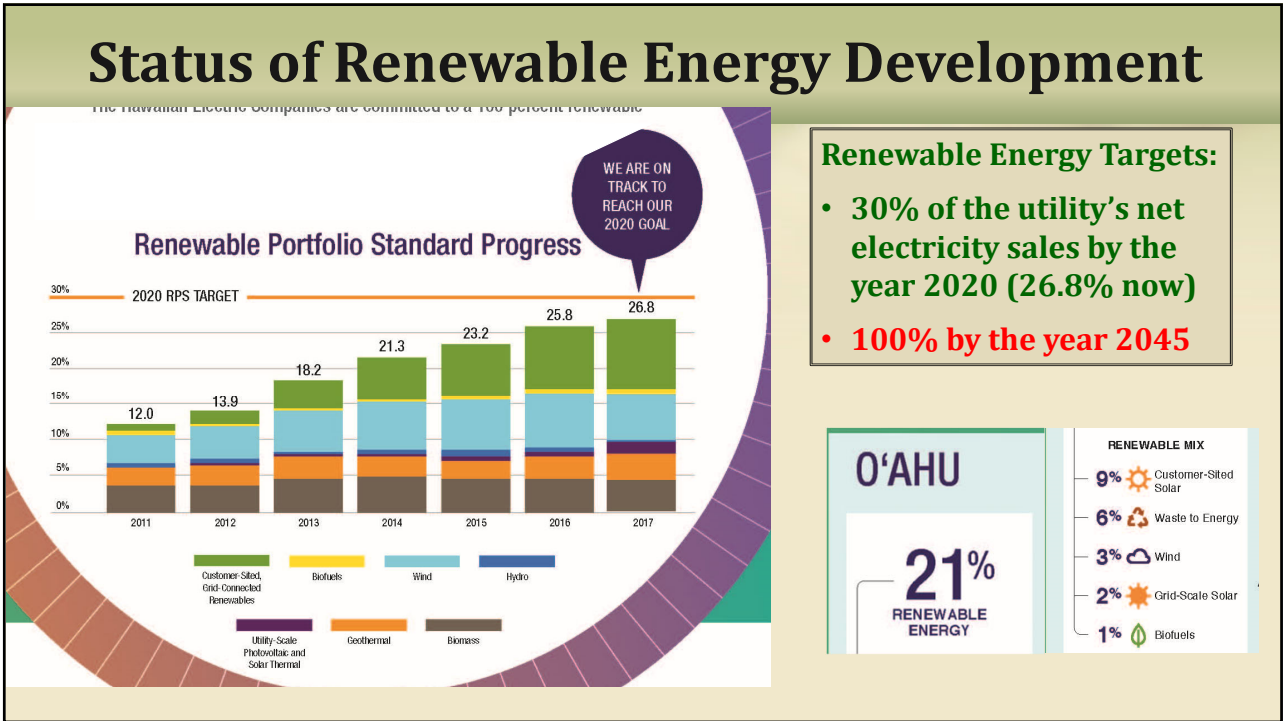
- Dropped off with the Receptionist
- Emailed to the Planning Office at: [DHHL.Planning@hawaii.gov](mailto:DHHL.Planning@hawaii.gov)
- Mailed to: DHHL Planning Office  
P.O. Box 1879  
Honolulu, HI 96805

Info. on the 2019 solicitation-- <http://dhhl.hawaii.gov/procurement/>  
Beneficiary Consultation page on our website: [www.Hawaii.gov/dhhl](http://www.Hawaii.gov/dhhl)

## DHHL Kalaeloa Lands, Honouliuli Ahupua'a



- DHHL Land at Kalaeloa = 555 acres
- Land Use Designation = Industrial
- Blue area--location of existing Kalaeloa Solar Two Project:
  - 5 MW; began operations January 2015; lease rent \$374,000/year
- Current focus on East Kalaeloa parcels (yellow)



## **Why is DHHL Interested in Developing Renewable Energy at Kalaeloa?**

- **With the goal of 100% renewable energy by 2045, there is a need and demand for renewable energy.**
- **The parcels at Kalaeloa have qualities that Solar companies look for: level of direct solar radiation; access to existing transmission and distribution infrastructure; south facing exposure; flat land; area free of shading from mountains, buildings or trees.**
- **DHHL's Energy Policy – Ho'omalūō supports renewable energy**
- **Revenue can be used for homestead projects; community benefits go directly to the homestead community**

## **How Do We Get On-Board?**

### **Complex and Independent Processes:**

- **HECO's RFP Process**
- **PUC has to Approve Everything**
- **DHHL's Normal Land Disposition Process**
- **DHHL's Process to Lease Land for Renewable Energy Development**
- **Developer's planning, design, financing, use of tax credits**
- **Homestead Community Projects**



MAJOR PLAYERS	ROLE/FUNCTION
<b>1. The Utility</b> -HECO, MECO, HELCO  <ul style="list-style-type: none"> <li>• <i>Secure renewable energy resource</i></li> <li>• <i>Low, Fixed price</i></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Goal</u>: secure low rate for the Power Purchase Agreements (PPAs)— the producer agrees to produce the energy and the utility agrees to buy it at a certain rate.</li> <li>• <u>Process</u>: [11-months]               <ol style="list-style-type: none"> <li>1. HECO releases RFP</li> <li>2. Renewable Energy producers submit proposals.</li> <li>3. HECO selects short list of companies</li> <li>4. Companies make Best and Final Offer</li> <li>5. HECO negotiates PPA</li> <li>6. PPA to PUC for approval</li> </ol> </li> <li>• <u>HECO Phase 2 RFPs</u>: May/June 2019</li> </ul>
<b>2. Renewable Energy Producers</b> <ul style="list-style-type: none"> <li>• <i>Long-term PPA</i></li> <li>• <i>Land/Resource</i></li> </ul>	<ul style="list-style-type: none"> <li>• Plan, design, finance, construct, own, operate and maintain a renewable energy facility that generates and dispatches energy to HECO.</li> <li>• They need land for their facility</li> <li>• They need renewable energy resource</li> </ul>
<b>3. Large Landowners (private and public)</b>  <ul style="list-style-type: none"> <li>• <i>High Lease Rent</i></li> <li>• <i>Without pricing out of the market</i></li> </ul>	<ul style="list-style-type: none"> <li>• Private landowner—can sell, lease or give land to any renewable energy producer</li> <li>• <u>Public landowner (State DHHL)</u>: General Lease lands for renewable energy development pursuant to Chapter 171-95.3, HRS.               <ul style="list-style-type: none"> <li>• Required to notify other renewable energy producers so they can submit a proposal.</li> <li>• Required to conduct 2 Public Hearings on island</li> <li>• Action taken on the project must be on island</li> <li>• Use of state lands require Chapter 343, HRS compliance (Environmental Assessment)</li> </ul> </li> </ul> <p><b>**Our process requires more time—so we're trying to get in front of it.</b></p>

## What Have We Done So Far?

- **HHC Approval for the 2019 Solicitation Process**
- **Published a Solicitation for Renewable Energy Development Proposals for Kahikinui, Maui and Kalaeloa, O'ahu.**
- **Received Four (4) Applications to Develop Solar Energy at the two Kalaeloa parcels.**
- **A Committee Reviewed and Scored the Proposals. One was disqualified.**
- **\*\*Innergex Renewables USA LLC was selected\*\***
- **Beneficiary Consultation Meeting.**

## What Do We Still Need to Do?

### I. For Innergex to Develop the Project

1. They need time on the land to do their studies.
2. Accurate site information will provide more accurate cost estimates.
3. They need to get a PPA from HECO
4. The use of State lands require an EA/EIS which has to be completed before entering into a long-term land agreement.

### II. For DHHL to Lease the Land to Innergex

1. Negotiate Final Terms of the Agreement
2. Conduct 2 Public Hearings on Island - June
3. Commission Approval on Island

### III. Approve Land Disposition

1. Right-of-Entry (ROE): 2 years, option to extend (3) 1-year periods
2. Date of Construction-New terms
3. Innergex asking for a 25-year term to start when the project can deliver energy to the power grid and extensions to match the PPA extensions

## The Proposed Project

### WHO:

- **Innergex Renewables USA LLC**
- **Wholly-owned subsidiary of Innergex Renewable Energy, Inc., a publicly-traded \$1.39 billion Canadian corp.**
- **Same developer that received final award under HECO's 2018 RFP for 15MW solar project in Ulupalakua, Maui and 30MW in Waimea, Hawai'i Island**

## **The Proposed Project (Cont'd.)**

### **WHAT?**

- **Construction of a 20MW solar energy project**
- **High-efficiency PV panels on single-axis trackers**
- **May include battery storage**

### **WHY?**

- **On O'ahu, HECO still requires about 160,000 MWhrs (roughly 60 MW) in renewable energy generation to meet its 2022 power needs.**

## **The Proposed Project (Cont'd.)**

### **WHERE?**

- **Exact location to be determined in due diligence and investigation period during ROE:**

### **HOW MUCH LAND IS NEEDED?**


- **Less than 100 acres (out of the combined total of 147 acres)**
- **Actual land for solar panels about 67% (67 acres) with remainder for access and security**

### **WHEN?**

- **Due diligence and investigation period – 2 Years**
- **Option to extend ROE for three one-year periods**
- **Project completion and operation by December 2022**
- **Innergex requesting a 25-year lease term from the date that the solar project can deliver energy to the power grid and extensions to match the HECO PPA.**

## NEXT STEPS

- **Negotiate final ROE and General Lease terms**
- **April 15-16 HHC Meeting**
  - **Beneficiary Consultation Report**
- **June**
  - **Conduct (2) Public Hearings on Maui**
  - **Conduct (2) Public Hearings on O'ahu**  
(notices will be in the newspaper)
  - **Decision-making by HHC**




# INNERGEX RENEWABLE ENERGY INC.

Founded in 1990, Innergex Renewable Energy Inc. is a Canadian corporation which develops, acquires, owns and operates run-of-river hydroelectric facilities, wind farms, solar farms and geothermal plants.

Pure play in the renewable energy industry

Innergex conducts operations in Canada, France, the United States, Chile and Iceland.

Head Office in Longueuil, Québec



INNERGEX





OUR MISSION

Our mission is to increase our production of renewable energy by developing and operating high-quality facilities while respecting the environment and balancing the best interests of the host communities, our partners and our investors.



INNERGEX



A SUSTAINABLE BUSINESS MODEL

We strive for a sustainable approach in all aspects of our business: the energy we produce, the contribution we make to local communities, the revenue we generate and the returns we provide to investors.

Social Acceptance

1

Projects and socio-economic benefits for the communities and our partners

Respect for the Environment


2

Avoid, minimize, mitigate or compensate for any impact on the surrounding ecosystem

Corporate Profitability

3

Stability and growth of dividends to holders of common shares



INNERGEX VALUES

Integrity

1

Transparency


2

Responsibility


3

Collaboration


4



INNERGEX



INNERGEX FACILITIES





73


facilities in  
operation and in  
development


A global company with  
presence and expertise in  
five countries and two  
continents


LÉGENDE


 Wind in operation


 Wind in development

 Solar in operation


 Solar in development


 Hydro in operation

 Hydro in development


 Geothermal in operation

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# INNERGEX SOLAR ASSETS




Spartan in Michigan, USA



Stardale in Ontario, Canada




Pampa Elvira in Atacama, Chile



Kokomo in Indiana, USA

Site	Acquisition or Commissioning	Innergex Participation (%)	Gross Capacity (MW)	Region
Kokomo	2018	90.0	7.0	USA
Pampa Elvira	2018	27.5	34.0	Chile
Phoebe	2019	100.0	315.0	USA
Spartan	2018	100.0	13.5	USA
Stardale	2012	100.0	33.2	Canada




# COMMITTED TO THE ENVIRONMENT

Innergex recognizes that our projects must be operated in a manner that mitigates or offsets for environmental impacts

Commitment to producing exclusively renewable energy


Continuous improvement of assessment, monitoring and compliance practices

Respect of the natural environment from the conception of a project through its life cycle



INNERGEX





COMMITTED TO THE ENVIRONMENT

Low impact on environment compared to other forms of energy generation

1

Virtually emissions-free




2

No significant impact to surrounding ecosystems

3

Offsetting potential greenhouse gas production from carbon-based power plants

4



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A COMMITTED PARTNER

Innervex acknowledges its responsibility to the host territories of its projects and participates in their socio-economic development



Opportunities for local businesses

Job creation

Economic benefits

Community Benefits

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## FIRST NATIONS PARTNERSHIPS

Innergex has gained a reputation as a partner of choice for First Nations seeking to develop business opportunities in the renewable energy sector.

**Our development model with neighbor communities is based on:**


- Sharing information,
- Understanding local issues and concerns
- Community benefits and education.

Four operating facilities with local communities or First Nations.

“We trust that Innergex will work within our traditional territory in a manner respectful of the environment, our culture and our constitutional aboriginal rights, titles and interest.”

Chief Stanley Thomas, Saik’uz First Nation, BC.

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## RENEWABLE ENERGY IN HAWAI’I

The State of Hawaii has set a goal to achieve 100% renewable energy generation by 2045

→

In 2017, 21% of electricity used by Hawaiian Electric Company customers came from renewable energy sources.

By 2022 Hawaiian Electric Companies is seeking to add 390 MW of renewable energy to their energy mix through a competitive procurement process.


→

Of that, HECO is seeking to add **60+ MW** on Oahu

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Solar Panel




High efficiency panels that are 400+ watts provide optimal energy production and minimize the footprint of the solar project

Solar Single-Axis Trackers



Increase energy output by 10-20% compared to fixed tilt foundations and have proven reliability under severe weather conditions

Battery Storage



Lithium-ion battery storage improves grid resiliency with major benefits such as load shifting to deliver power when it is needed most

COMPONENTS


INNERGEX

Photovoltaic solar panels collect energy from the sun to generate electricity.

The power generated can either charge the batteries or send power to the main grid.

The batteries charge from the solar array during daylight hours and send power to the grid when it needs it most, day or night.

SOLAR PHOTOVOLTAIC ENGINEERING



1 SOLAR PANEL


2 INVERTER

3 TRANSFORMER

4 SUBSTATION

5 BATTERY

6 ELECTRIC GRID



# HECO IDENTIFIED BENEFITS

Fixed Price Contract

Consumer Savings

Operational Flexibility

The Unit Price, as defined in the PPA, is advantageous in that it is fixed for the duration of the PPA and is anticipated to result in lower effective rates for customers.

A typical HECO customer consuming 500 kWh per month could save approximately \$2.78 in 2022 and \$3.90 in 2023 on the customer's monthly electric bill.

HECO will have the contractual flexibility to dispatch energy from the Project's PV or battery storage system as needed, offset night-time customer demand, and assist in grid stabilization subject to discharge limits.

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# BENEFITS

We have three community benefit strategies for sharing benefits with the local community that reflect the economics of the Project.

Local supplier procurement and employment

Contribution to the Community

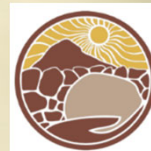
Community event sponsorships and participation



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## COMMUNITY BENEFITS PROPOSED

### The Kapolei Heritage Center



- Estimated \$35,000/year during 25-year lease term to be designated for the Kapolei Community Development Corporation **Heritage Center** starting in 2023.
- Preliminary discussions with KCDC indicate this could cover the Center's annual utility and maintenance fees.
- Community education related to energy savings opportunities, job training and subcontracting opportunities with HALE and its program vendors & consultants.
- Volunteer support for the building of the Halau Center.

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**Submit comments, concerns or questions by  
Friday, April 5, 2019**

**via email to**

**[dhlh.planning@hawaii.gov](mailto:dhlh.planning@hawaii.gov)**

**These will be incorporated into the beneficiary  
consultation report presented to the HHC at its  
regularly-scheduled meeting in April**

**Mahalo!**