



HAWAIIAN HOME LANDS

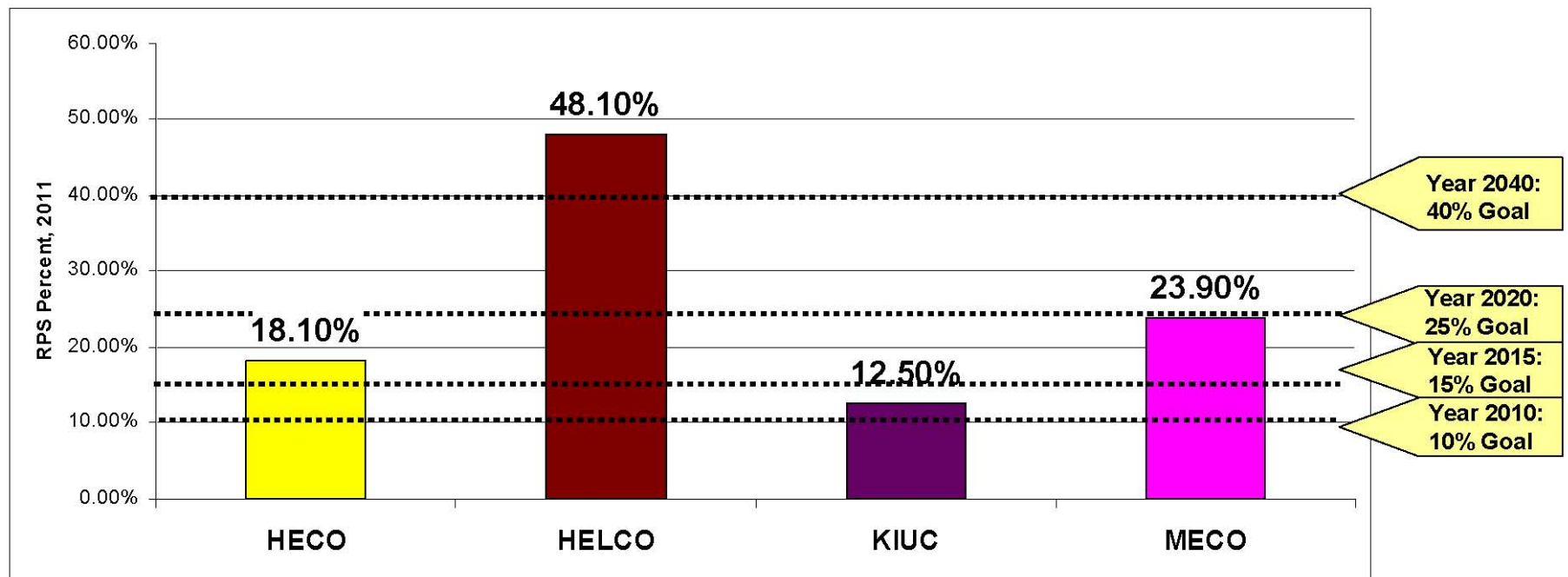
HAWAIIAN HOMES COMMISSION  
DEPARTMENT OF HAWAIIAN HOME LANDS

**Public Hearing  
on the  
Anahola Renewable Energy Project  
March 14 and 15**

# Renewable Energy Opportunities

- Electric Companies are required by law to meet specific **renewable energy standards** by 2015, 2020, 2030 and 2040.
- In order to meet these standards, the Electric Companies are buying renewable energy through Requests for Proposals, the Feed-in-Tariff (FIT) program and Net-Metering.
- KIUC has a 20 year power purchase agreement with Green Energy Team LLC for 6.7 megawatts of renewable energy production.

# Renewable Portfolio Standards (2011)





# Why is DHHL Working with Renewable Energy Projects?

- **In 2009, the Commission adopted an Energy Policy, which specified--**
  - Identify properties that have potential for renewable energy development
  - The Department should pursue the leasing of those identified lands.
- **The Department needs the revenue to continue to fulfill the goals of the trust.**



# Existing Conditions

- Most of the lands are not usable for agriculture or ranching due to the fact that Albizia trees have invaded most the acreage.
- DHHL has 5 month-to-month revocable permits in the project area—4 ranchers and 1 is cultivating lo'i taro.
- The absence of decent roads and a working water system precludes homesteading, agricultural, and economic development
- Of the 2,137 acres, approximately 1,175 acres are arable and adequate for crop growth to support the proposed biomass project.

# GREEN ENERGY PROPOSED PROJECT AREA

PROJECT AREA TOTAL: 2,137 ACRES  
(1,175 ARABLE ACRES)




TMKs	
4-4-7-002:004	994 acres
4-4-8-002:001	644 acres
4-4-8-003:006	360 acres
4-4-8-003:022	139 acres
<b>TOTAL</b>	<b>2,137 acres</b>

Community Use/Picnic Area  
(2 of 44 acres will be cleared)











Subsistence Agriculture  
(267 acres)

## Legend

 Revocable Permits (Month-to-Month)

## Land Use Designations

### USE

 Special District	 Community Use
 Subsistence Agriculture	 Community Use and Commercial
 General Agriculture	 Conservation
 Commercial	 Industrial
	 Pastoral
	 Residential

### Revocable Permits:

1. Tarey Low - 173 acres
2. Leland and Kristy Keale - 75 acres
3. Harold Ano - 5 acres
4. Frank and Amber Rivera - 75 acres
5. Kale Smith - 5 acres



# Historical Background

- September 2010, DHHL received an initial letter of interest from Green Energy Team.
- September 2011, DHHL staff met several times with Erik Knutzen to discuss the potential to lease 2,137 acres of DHHL lands in Anahola for the purpose of clearing invasive Albizia trees, replanting, harvesting and delivering feedstock for its biomass production facility . Mr. Knutzen explained that he had several development benchmarks to meet and would contact DHHL when his benchmarks were completed.
- April 2012, the Homestead Development Corporation (HCDC) and the Anahola Hawaiian Homes Association (AHHA) submitted a proposal for the same 2,137 acres of land for the same purposes. HCDC indicated its intention to secure a license from DHHL in order to sublease the lands to Green Energy, as its renewable energy development partner. HCDC's proposal would have resulted in direct funding, over the term of the agreement, \$1,102,840 to HCDC and \$883,600 in ground lease rent to DHHL.
- August 2012, in order to continue its communication with Green Energy Team which started in 2010, the Department requested approval from the Hawaiian Homes Commission to negotiate directly with the Green Energy Team. The Commission authorized the Department to negotiate the lease with Green Energy, and added the requirement to work with HCDC.
- Feb 2013, the Department briefed the Hawaiian Homes Commission on the status of the project.



# **Proposed Terms of the Agreement**

## **(1) Timeline for the Completion of the Project**

The Proposed Timetable for the Project is:

- 20-year Lease
- Option to Extend Another 10 years
- Expected Start of Operation in June 2014

# **Proposed Terms of the Agreement**

## **(2) A Description of the Financial Plan for Project Financing**

- Financing is through the Green Energy Team's own equity participation and bank financing with USDA Rural Utilities Service providing a long-term loan commitment.
- Financing was closed in October 2012.

# Proposed Terms of the Agreement

## (3) A Description of the Conceptual Design of the Project

- Clearing of Albizia trees
- Replanting with Eucalyptus Trees
- Replanting and Harvesting over the term of the Lease to produce feedstock for biomass facility in Koloa.
- Clearing of 267 acres of land identified for Subsistence Agriculture would not be replanted –it would be returned to the Department for Agricultural homesteading.



# **Proposed Terms of the Agreement**

## **(4) A Description of the Business Conceptual for the Project**

- Growing Eucalyptus Trees or other approved tree crops for the next 20 years.

# **Proposed Terms of the Agreement**

## **(5) A Description of the Landscape and Acreage Requirements, including Public and Private Lands**

- 2, 137 acres: Hawaiian Home Lands at Anahola
- 1,000 acres: State of Hawai'i, Agribusiness Development Corporation (ADC) license at Kalepa.

# Summary of the Proposed Agreement

GREEN ENERGY TEAM, LLC	HOMESTEAD BENEFITS AGREEMENT WITH HCDC/AHHA	DHHL
<ul style="list-style-type: none"> <li>• Albizia Trees as feedstock for biomass facility</li> <li>• 20-year lease (with option to extend 10 years) to replant and harvest tree crops on arable lands at Anahola.</li> </ul>	<ul style="list-style-type: none"> <li>• Development Fee</li> <li>• Homestead Participation Revenue</li> <li>• Predevelopment Costs</li> <li>• Capacity Building</li> <li>• O&amp;M Contract Revenue + Albizia Removal Labor</li> <li>• Project Signage to show Trust status</li> <li>• Leadership Partnership</li> <li>• Collaborative Process</li> <li>• Employment Training</li> <li>• Worker Qualification and Local Hire</li> <li>• Internships, Fellowships</li> <li>• Junior/Senior High School Curriculum Development</li> <li>• Project Advisory Committee</li> <li>• Homestead Access and Community Picnic Area</li> </ul>	<ul style="list-style-type: none"> <li>• Fair market rent based on appraisal based on agricultural use.</li> <li>• 267-acres of albizia-cleared land for subsistence agricultural use.</li> <li>• 2-acre community picnic area</li> <li>• Restored Roads</li> <li>• Installed road drainage</li> <li>• Access to DLNR forest reserve through the project site</li> <li>• Phase out plan for optimal conversion to homestead or other uses</li> </ul>