

Maui Renewable Energy Projects

Meeting with Homestead Leaders

Kahikinui, Keokea, Waiohuli

January 31, 2013

AGENDA

1. Introduction/Background
2. Renewable Energy Primer
3. Process and Timetable for Renewable Energy Projects
4. Discussion on Identified Parcels
5. Discussion on Proposed Template for Homestead Benefits
6. Energy Policy Update –Heads-up

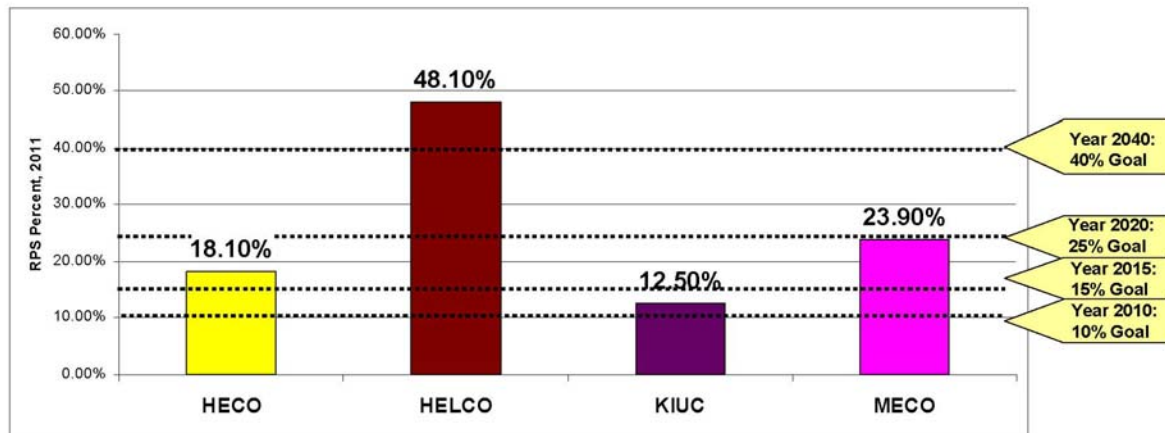
1. INTRODUCTION/BACKGROUND

- In the January HHC Meeting, the Commission approved posting of a public notice in all of the major newspapers announcing that DHHL would be accepting letters of interest for renewable energy development on Maui Hawaiian Home Lands at Kahikinui, Pulehunui, and Honokowai. Upon concerns raised, the Department committed to meet with homestead leaders. See HHC Submittal, Dated Jan 14, 2013, Item F-4
- On January 18, 2013 the Public Notice was published in newspapers and our website. See Public Notice
- The Planning Office and Land Management Division have scheduled a number of meetings on Maui as a means to engage beneficiaries in this process.
 - a. Briefing meetings with homestead leaders--Jan 31, Feb 4 and Feb 5.
 - b. Special HHC Meeting on Maui – Feb 14
 - c. Two (2) Public Hearings on Maui – Feb 14 and 15
 - d. Maui Beneficiary Consultation Meeting (Applicants/Lessees) – March 4

2. WHY IS THE DEPARTMENT SOLICITING RENEWABLE ENERGY PROPOSALS?

- The Department is pursuing opportunities for renewable energy development because the Trust needs the money.
- Electric Companies are required by law to meet specific renewable energy standards by 2015, 2020, 2030 and 2040. All companies have met the 2015 requirements; HELCO has already met the 2040 standard.

Renewable Portfolio Standards (2011)



- 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.
- MECO is getting ready to release a RFP for 50 MW of renewable energy on island (25MW firm; 25MW intermittent). HECO is getting ready to release a RFP for 200 MW of renewable energy for O'ahu that can be generated off-island—proposals must include the development of an undersea transmission cable. The RFPs give developers a very short time to respond.
- Developers have a better chance at bidding for the RFPs if they already have site control; their bids can be more accurate if site variables (location, terrain, development constraints, community benefits) are known.

3. WHAT IS THE DEPARTMENT'S EXPERIENCE IN WORKING WITH RENEWABLE ENERGY DEVELOPERS?

- Table 1 identifies Trust lands that have been issued for renewable energy development.

Table 1: Trust Lands Issued for Renewable Energy Development

Land Disposition	Lessee	Acres	Energy	Annual Rent	Lease Term	Price/Ac/Yr
General Lease Section 204(a)(2) Chapter 171-95	Kalaeloa Solar One LLC	82	10 MW	\$856,659	22 years	\$10,447
General Lease Section 204(a)(2) Chapter 171-95	Kalaeloa Home Lands Solar LLC	30	5 MW	\$302,760	22 years	\$10,142
General Lease Section 204(a)(2) Chapter 171-59	Big Island Carbon LLC	12.61	1,000 tons granular carbon	\$450,000	55 years	\$35,686
License Section 207(c)(1)(B)	Homestead Community Development Corp. and KIUC	55	12 MW	\$100,800	22 years	\$183

4. WHAT IS THE PROCESS AND TIMETABLE FOR THE MAUI RENEWABLE ENERGY PROJECTS?

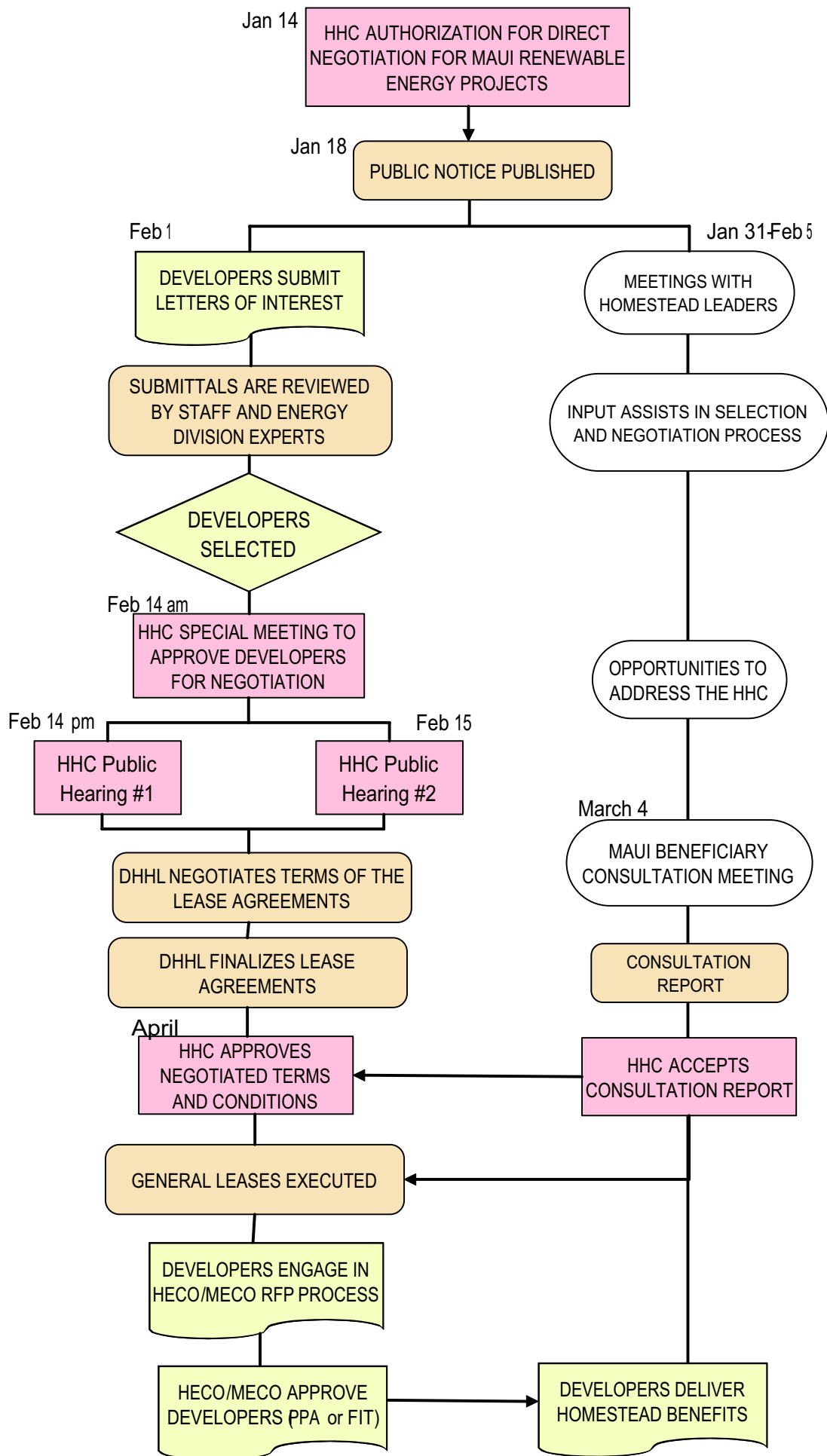
- The attached flowchart identifies the process for the projects—including approvals, public hearings, and opportunities for beneficiaries to engage in the process.
- The quick timeframe ensures that projects selected for development on Maui Trust lands will have the best shot at securing energy agreements with the Electric Companies.

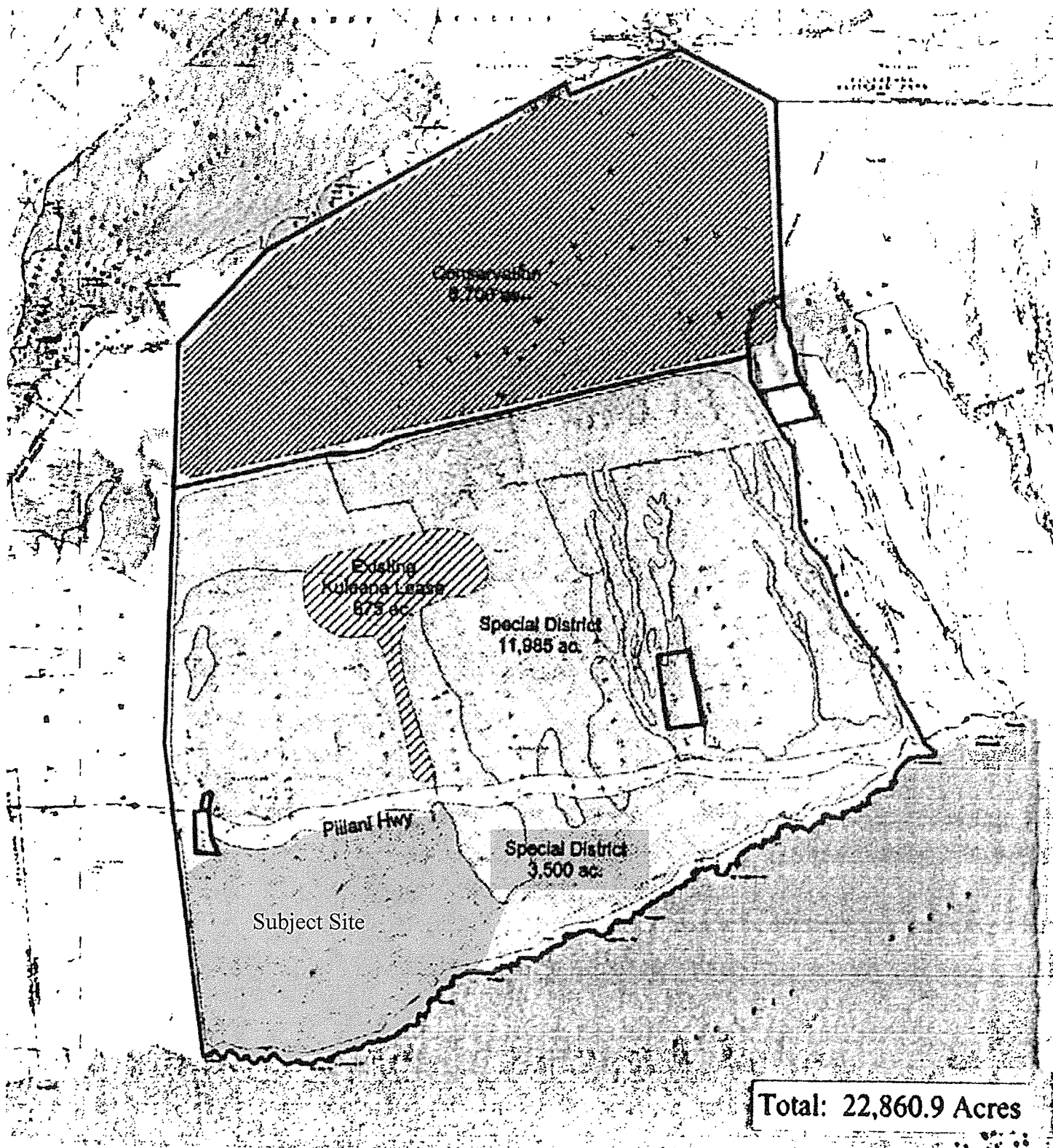
5. WHAT PARCELS/AREAS ARE BEING MADE AVAILABLE FOR RENEWABLE ENERGY DEVELOPMENT?

- Kahikinui Tract: Makai portion, up to 500 acres
- Pulehunui Tract: Industrial/Agricultural Homestead parcel, up to 500 acres
- Honokowai Tract: General Agricultural areas on both sides of the gulch, up to 400 acres

MAUI RENEWABLE ENERGY PROJECTS

Process and Timetable





Legend
 DIRM Land Boundary

**Land Use Summary
 Land Use Categories**

	Conservation
	Special District
	Kuleana Lease
Total	

Approx Acres	
6,700	
15,485	
675	
22,860	

Figure M
 KAHIKINUI
 Land Use Plan

MAUI LAND INVENTORY

DEPARTMENT OF HAWAIIAN HOME LANDS



Source: United States Geological Survey
 Maui Land Inventory (MLI) proposes land use lands out up

EXHIBIT

ITEM NO. F-4

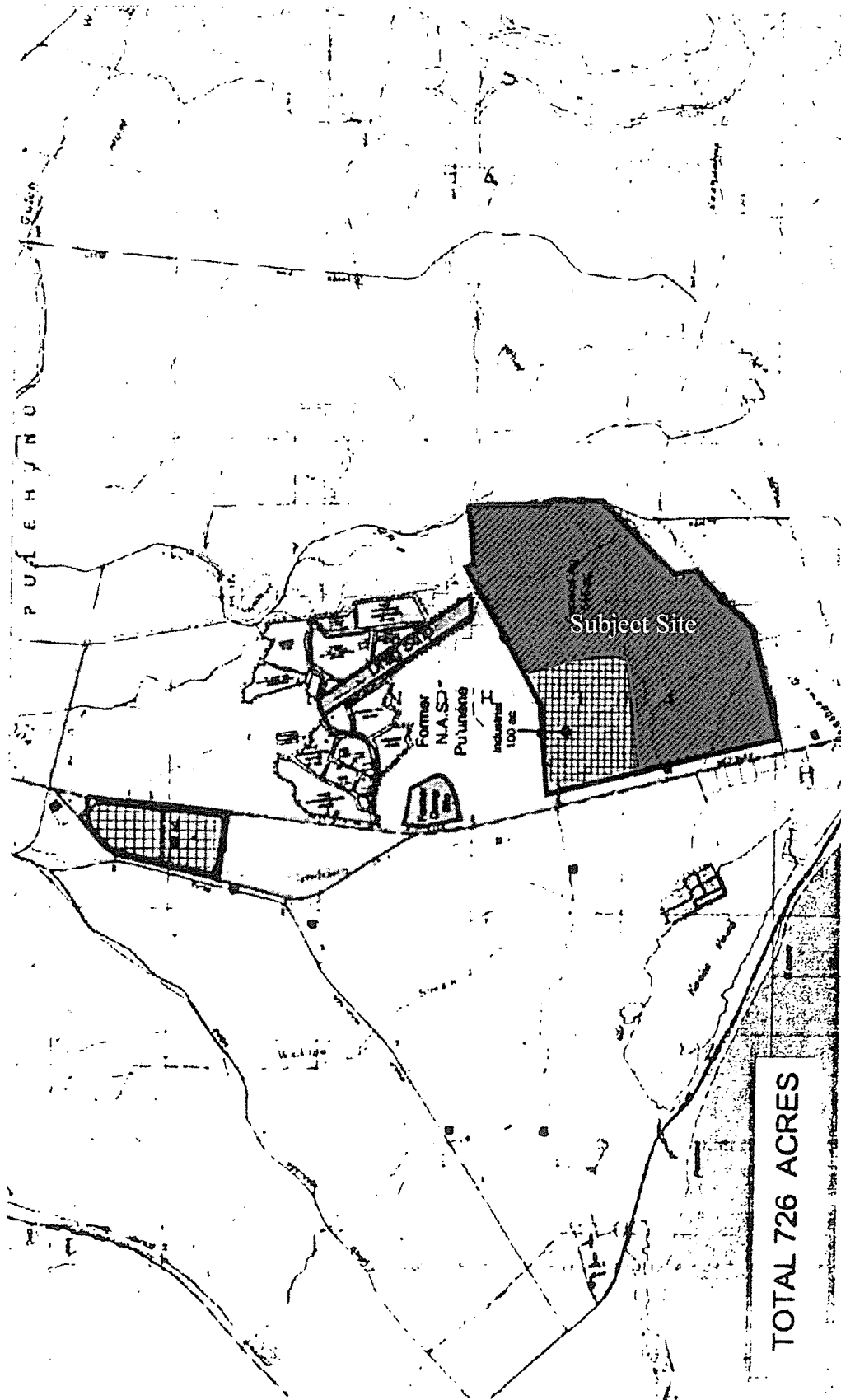


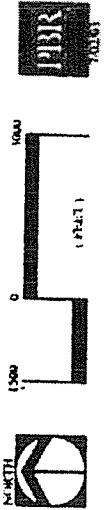
Figure 4-11

PU'UNĒ

Land Use Alternative 2

MAUI LAND INVENTORY

DEPARTMENT OF NATURAL RESOURCES



Acres	546	180	726
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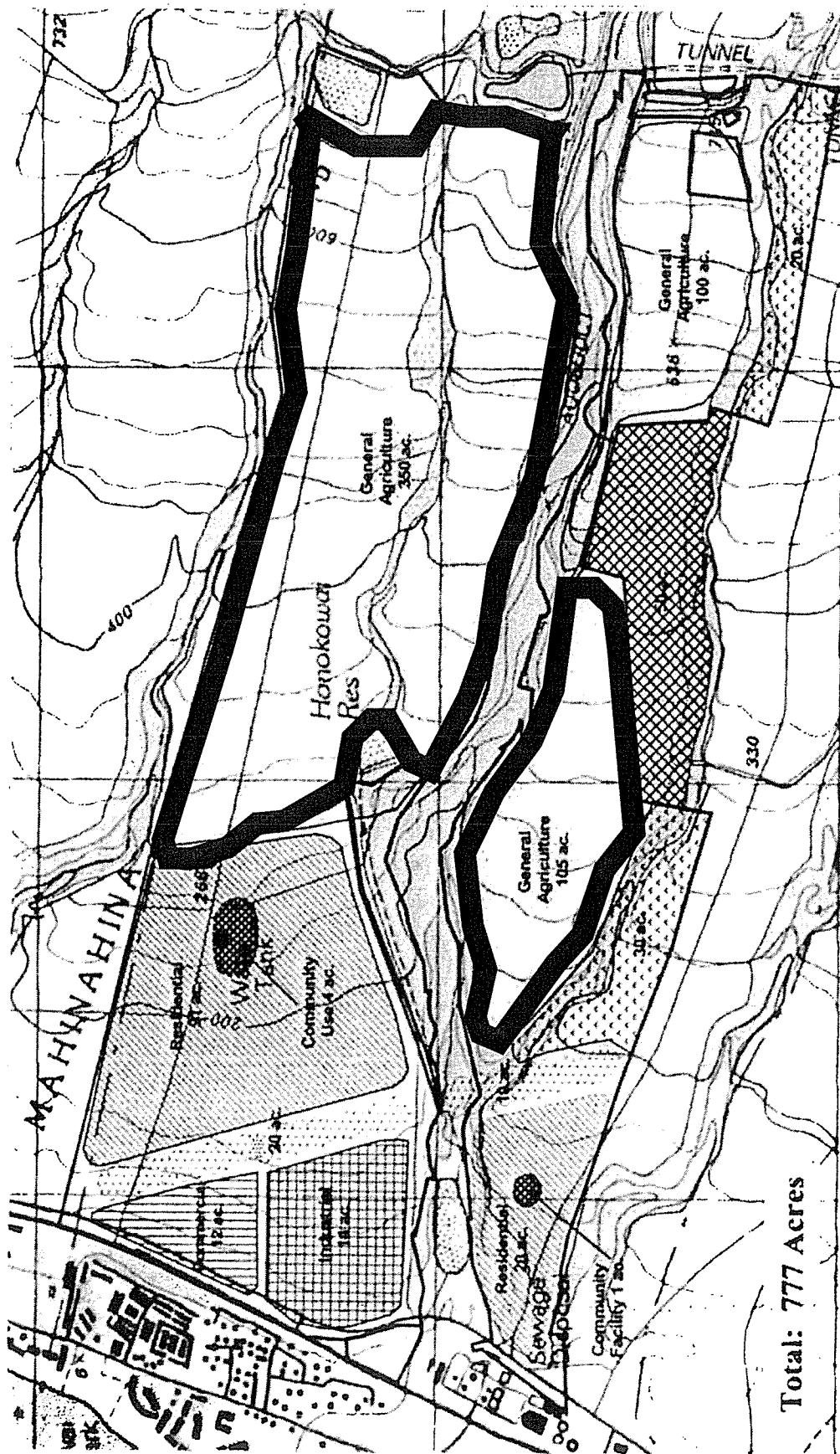
Land Use Summary

General Agriculture	546
Industrial	180
Total	726

Legend

DHHL Land Boundary

Source: United States Geological Survey and Department of Hawaiian Homelands



Total: 777 Acres

Legend

- DHHL Land Boundary
- Proposed Land Exchange
- Kaanapali Development Corporation
- DHHL

Land Use Summary

Land Use	Lot Size	Number of Lots	Approx. Acres
Residential	10,000 sf	411	111
General Agriculture			635
Community Use			5
Industrial			14
Commercial Use			12
Total		411	777

Figure 5-10

HONOKOWAI
Land Use Alternative 1

MAUI LAND INVENTORY

DEPARTMENT OF HAWAIIAN HOME LANDS



Source: United States Geologic Survey, Kintura International, Inc. and Department of Hawaiian Home Lands

6. FRAMEWORK FOR DISCUSSION ON HOMESTEAD BENEFITS TEMPLATE

- “Community Benefits Agreement” emerged in the late 1990s as a way for development projects to:
 - a. Mitigate negative impacts (environmental, social, cultural, economic) associated with the project
 - b. Be a good corporate neighbor
 - c. Secure local community support of the project which expedites permitting processes
 - d. Ensure that the community most affected by the project, benefit from the project
 - e. Ensure that the economic development projects bring measurable and permanent improvement in the lives of those most affected, especially low-income, economically depressed communities.
- Project-Specific Benefits: The Department has negotiated homestead benefits as conditions of General Lease agreements in the past, but these project-specific negotiations have not been consistent. There have been different types of benefits (in-kind, monetary), distributed through different means, distributed over different times (one-time, recurring).
 - a. Hilo, Walmart--\$100,000 annual donation
 - b. Kahikinui--\$1 million road
 - c. Anahola Solar—20% rent; 2% of gross revenues
 - d. Kalaeloa—Education scholarship fund
- Across-the-Board Allocations: Another approach is to establish a certain percentage that would be applied to all projects, across-the-board, that would be used for homestead benefits. Different percentages have been discussed—15% of revenues to NHRF—and the Energy Ad Hoc Committee is recommending 20% of land revenues.
 - a. Percent of lease rent revenue?
 - b. Percent of gross revenue?
 - c. Percent in addition to lease rent revenue?
- Required elements in any homestead benefit agreement:
 - a. Benefits the Trust—is an asset for the Trust
 - b. Equity and Fairness in Benefits---balances distribution of benefits between those homesteads that are most impacted versus other homestead areas versus other beneficiaries (Undivided Interest lessees, applicants).
 - c. If money is involved, it must be accountable—need to set up a structure for handling the money, need to establish how monies would be distributed, need to determine who decides how the monies would be distributed, what is the decision-making process?
 - d. The Department needs to be involved in the negotiated agreement.
 - e. Others?

DISCUSSION ON HOMESTEAD BENEFITS PACKAGE TEMPLATE

HHC-APPROVED REGIONAL PLAN PRIORITY PROJECTS USING KAHIKINUI AS AN EXAMPLE

Homestead Development Facilitation Program	Site/facility to store construction materials and stay while building homes. “How To” manual for off-grid homesteading.
Improve and Develop Homestead Roadway Network	Finish existing road to the top homestead lot; fill-in bottom areas. Improved access to the homestead lots with site drainage over 3 phases.
Management of Kahikinui Natural Resources	Management of native species and forest resources through proper fencing, access roads, eradication and control of alien species and animals. <i>Develop linkages to the Petrel Habitation Plan.</i>
Develop New Stewardship Economy for Kahikinui	Develop economic opportunities in alignment with Hawaiian cultural values, in tune with its resources, and compatible with the land (e.g., use of Hale Pili as a store/gift shop, cabins and eco/cultural tours, salt collection). Link to “Management of Kahikinui Natural Resources” to develop stewardship economy based on natural resource management.
Water Infrastructure Project	Collection of fog screen drip water, distribution into storage tanks and individual homestead catchment/storage tanks

DIRECT ECONOMIC BENEFITS TO BENEFICIARIES

Job Training	Opportunities for training to better qualify for pre-development and project services contracts, construction and project jobs
Construction Jobs	Opportunities to be hired for temporary project construction jobs
Project Services	Opportunities to provide project contract services on a fee basis (e.g., security services, janitorial services, equipment maintenance services)
Project Jobs	Opportunities to be hired for full-time or part-time, salary or hourly, project jobs

NATIVE HAWAIIAN DEVELOPMENT BENEFITS

Education Scholarships	May specify field of study, college, merit or need, students from certain communities, other criteria. Specify general or specific endowment or one-time contribution.
Farm and Pastoral Support	Specify nature of support for farm and pastoral homestead groups and lessees. May include training, technical assistance, financing, marketing. Forms of support can include mentoring, internships, financial contributions, volunteering, use of equipment to clear and grub land.
Homestead Organization Capacity-Building	Specify nature of support for homestead organizations to achieve their vision and objectives. May include training, technical assistance, financing, management support, access to third-party expertise. Forms of support can include mentoring, internships, grants and loans, volunteering.

Community Economic Development Capacity-Building	Specify nature of support for homestead organizations to achieve economic self-sufficiency. May include training, technical assistance, financing, management support, access to third party expertise. Forms of support can include mentoring, internships, grants and loans, volunteering.
Cultural and Natural Resources	Efforts to support the proper protection, management, and use of cultural and natural resources on Hawaiian home lands. Resources may be in project region or in a designated historic, cultural, or natural preserve (e.g. Hakalau Forest Preserve, Waiohuli Native Dry Forest, Kamaoa-Puuoe National Historic Landmark, Waiawa Valley, Moomomi-Anahaki Preserve). Use of resources may be for cultural and land use purposes (e.g., hula, medicine, worship, agricultural terraces, lo'i)
Island-Specific Native Hawaiian Homestead Development Endowment Fund	Identify funding contributions to an island-specific endowment fund in order to fund island-specific homestead priorities.

LAND DEVELOPMENT BENEFITS IMPROVE LAND FOR NATIVE HAWAIIAN USE

Pre-Development Services	Opportunities to provide project planning, design/architectural, inspection, construction services on a fee basis
Oversize On-Site Infrastructure	On-site roads, water, sewer, drainage systems built for your project, sized to accommodate planned future homestead uses nearby
Placement of Infrastructure	Roads, intersections, water, sewer, drainage systems built for your project, placed specifically to support planned future homestead uses nearby

Off-Site Infrastructure	Off-site highway intersection signals, water wells and storage, sewage treatment plants and reclamation, sized to accommodate planned future homestead uses nearby
Support Conservation & Re-Use	Efforts to support conservation and re-use of potable and non-potable water, treated wastewater, renewable energy for planned future homestead uses nearby

CREATE YOUR OWN BENEFITS PROJECT IN CONSULTATION WITH THE HOMESTEAD COMMUNITY

Adopt A Project	Commit to work, side-by-side, with a homestead community to plan, design, finance, build, and manage a community benefits project (e.g., community center, hula halau, taro loi, after school tutoring)
Adopt An Organization	Commit to work and engage with a homestead community to build their capacity as an organization, define their vision and goals, and carry out their community vision and goals. (e.g. a homestead association or sports league)
Adopt A Region	Commit to work and engage with a group of homestead communities in a region to build their capacity as an organization, define their vision and goals, and carry out their vision and goals for the region. (e.g. support a new regional park)
Adopt A Cause	Commit to work with public and private entities to achieve a measureable community benefit. (e.g. to increase high school graduation rates by xx % in xxx years, to restore a native species population to xx in xxx years, to reduce addiction from xxx to xxx in xx years.