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Sustainable Development.

October 7, 2020

Aloha Community Members

RE: Public Utilities Commission Approves Paeahu Solar Project

We are pleased to share some good news! The Public Utilities Commission has approved the Power Purchase Agreement (PPA) for our Paeahu Solar Project after a long period of deliberation. The decision was issued on Monday afternoon, October 5, in a 171-page ruling.

Several reasons were cited in the approval:

- The additional capacity to the grid provided by Paeahu Solar increases the reliability and stability of Maui Electric power in the event, for example, of an unforeseen shutdown of one or more other units on the grid.
- The PPA represents a significant step not only towards Hawaii's renewable energy goals but also towards achieving lower energy prices for consumers.
- The Project will allow Maui Electric to purchase and import 1,342,066 **fewer** barrels of fossil fuel over the 25 year life of the PPAs.
- The performance metrics in the PPA will collectively provide cost savings to ratepayers and ensure that ratepayers are not paying for services or capacity if the PV system or the batteries do not meet their expected performance.
- The batteries help to significantly reduce risk of curtailment compared to prior renewable PV projects.
- The land on which the Project is located contains soils in the productivity class E (the least productive rating of agriculture lands) and no soils with a class rating of A, B, C, or D.
- Paeahu Solar made a good-faith effort to consider relocating the Project to an alternative site. The archaeological and cultural significance of the alternative site, however, along with the steeper terrain, made the alternative site an impracticable option for the Project
- The Commission emphasized the importance of community engagement and recognized Paeahu Solar's efforts to engage a broad and diverse set of stakeholders and, based on the feedback, to incorporate several design changes to the project.

We are deeply grateful to you and others in the community for the feedback we received. The changes and improvements to the project are a direct result of the numerous conversations and meetings that took place and are indicative of the importance of these exchanges.

Our team will begin working with the regulatory agencies to obtain the permits needed to start construction. Paeahu is committed to continuing the updates and interactions with residents as planning progresses. We welcome your feedback at any time and look forward to moving this renewable energy project forward!

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Please contact me personally, my colleague Julia Mancinelli, or our Maui team, Jeanne Skog and Teena Rasmussen if you have any questions or comments.

Mahalo

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