



Renewable Energy.  
Sustainable Development.

June 1, 2022

RE:  Paeahu Solar Project Update  
Court Decisions Rendered, Permitting & PPA Next Steps

Aloha Community Members,

As part of our ongoing commitment to share information on project developments, the following are details about two recent court decisions regarding the Paeahu Solar Project, their significance, and the next steps. Innergex, and the Paeahu Solar team, are deeply grateful to the community, the Public Utility Commission, Maui Electric, Maui County, and other agencies for their ongoing support. As our team continues working with the regulatory agencies, Innergex is committed to continuing to engage with and update community members as the project progresses.

## Permitting

**Hawai'i Circuit Court Ruling.** On January 26, 2022, the Hawai'i Circuit Court ruled in support of the intervention of the Maui Meadows Neighborhood Association and Pono Power Coalition in the Paeahu Solar Project. Although the Maui Planning Commission approved the Special Use Permit that is required for the project in 2021, the Circuit Court decision required the Commission to allow the Maui Meadows Neighborhood Association and Pono Power Coalition to intervene in the Special Use Permit process through a new proceeding.

Four years of community engagement and extensive biological, archeological, cultural, drainage, traffic, engineering, and other studies have been conducted for the project. We look forward to presenting those studies in the new proceeding and showing again that the project will provide a clean and reliable energy source for the benefit of all Maui residents.

The Special Use Permit application and presentation<sup>1</sup> can be found on the project's website: <https://www.innergex.com/hawaii/paeahu/downloads/>

**Mediation.** In the new proceeding, the Maui Planning Commission appointed a mediator to work with the parties in attempt to resolve the dispute. After a month of mediation in May 2022, we were unfortunately unable to come to a resolution.

Oliver Robson, Innergex's lead in the mediation, explained, *"Both parties made progress. Innergex offered solutions that went above and beyond standard construction and operating practices. While we hoped that the mediation would yield a meaningful win-win, we remain committed to the Paeahu Solar Project and the benefits that it will bring to Maui."*

<https://www.innergex.com/hawaii/wp-content/uploads/2021/05/Presentation-Paeahu-Solar-Project-Planning-Commission-Hearing-May-25-2021.pdf>

Innergex Renewable Energy Inc.  
888 Dunsmuir Street, Suite 1100  
Vancouver, British Columbia V6C 3K4  
Canada  
Tel. 604 633-9990 | Fax 604 633-9991  
info@innergex.com | www.innergex.com

Head Office  
1225 Saint-Charles Street West, 10th floor  
Longueuil, Québec J4K 0B9  
Canada  
Tel. 450 928-2550 | Fax 450 928-2544  
info@innergex.com | www.innergex.com

**Innergex Renewables USA, LLC**  
3636 Nobel Drive, Suite 260  
San Diego, CA 92122  
United States  
Tel. 858 346-4004 | Fax 604 633-9991  
info@innergex.com | www.innergex.com

**Next Steps.** Without a settlement, the matter goes to an assigned hearing officer before whom the parties will have the opportunity to present facts on the technical merits of the project. The hearing officer is responsible for setting up the procedural schedule and conducting the hearing. After the evidence has been presented, the hearing officer will present findings and recommendations to the Maui County Planning Commission. The Commission will vote on whether to accept the recommendations. This process could take a few months.

## Power Purchase Agreement

**On March 2, 2022, the Hawai'i Supreme Court** ruled that the State Public Utilities Commission (PUC) had properly evaluated the Maui community group's allegations of harm and upheld the PUC's approval of a Power Purchase Agreement (PPA) between Maui Electric Company and the Paeahu Solar Project.

Regarding community outreach, the Hawai'i Supreme Court held:

*The PUC reviewed evidence about Paeahu's community engagement activities and it credited Paeahu's responses to community concerns; Paeahu made design changes and explored an alternative location. The PUC then found that Paeahu fulfilled its community outreach requirements....We do not find clear error with the PUC's findings.*

You may find Hawai'i Supreme Court Ruling at <https://www.courts.state.hi.us/wp-content/uploads/2022/03/SCOT-21-0000041.pdf>

**Next Steps:** Following the Hawai'i Supreme Court ruling, the PUC will address the second phase of the docket, which is the approval of the overhead transmission line that will be needed to connect the project to the Auwahi switchyard in South Kihei on Ulupalakua Ranch land. A new procedural schedule for this decision should be posted by the PUC within the next few months. Paeahu Solar is PUC Docket Number 2018-0433.

## Drainage Design

We understand that the December 2021 storm, which brought torrential rain and run-off throughout South Maui, heightened concerns about drainage and run-off in the Project area.

The management of drainage and run-off are critical components of all our projects. We have studied the existing drainage patterns in the Project Study Area, including the completion of a hydrologic and hydraulic analysis<sup>2</sup>. These efforts helped Innergex's project team understand the complexities of the local environment and the potential for flooding within and downslope of the Project Study Area. The County Master Drainage Plan specifically highlights localized concerns within the area downstream of the Project, and our engineers have designed stormwater facilities to effectively manage water that flows through the Project site.

Based on the preliminary drainage plan design, peak flows will be reduced or unchanged in the gulches that pass through the Project Study Area. The preliminary grading plan and drainage plan will not increase peak stormwater flows to the downslope areas and will not create new flood hazards

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<sup>2</sup> [https://www.innergex.com/hawaii/wp-content/uploads/2020/11/Appendix-K\\_Hydrologic-and-Hydraulic-Analysis-and-Preliminary-Drainage-Plan.pdf](https://www.innergex.com/hawaii/wp-content/uploads/2020/11/Appendix-K_Hydrologic-and-Hydraulic-Analysis-and-Preliminary-Drainage-Plan.pdf)

for the downslope properties. Retention basins will be constructed as part of best management practices to reduce sediment discharge and delay peak flows generated by storms from entering the water channels. The project will follow all County Department of Public Works permitting and design requirements and the final drainage plan submitted to Maui County for construction permit approvals will be reviewed, signed and stamped by a local engineer.

Innergex remains committed to providing ongoing assistance to Leeward Haleakala Watershed Restoration Partnership to help improve the upland watershed area throughout the project's operation.

### ***Paeahu Solar Project Overview***

*The Paeahu Solar Project is a 15MW fixed-tilt solar PV coupled with a 60 MWh battery energy storage system (BESS). The BESS would be charged from the solar panels during the day. The Project:*

- *provides Maui Electric with flexible, semi-dispatchable renewable energy at **a fixed price for 25 years***
- *provides enough electricity to power **the equivalent of 6,900 homes***
- *will provide **South Maui** with stored renewable generation and improve grid stability*
- *will occupy approximately 150 acres of which solar panels will cover about 50 acres*
- *will **displace about 1,342,000 barrels of fossil fuel** over the 25-year life of the project*
- *will offset an **estimated 527,810 net metric tons** of greenhouse gas emissions over the life of the project*
- *will help **replace the power of the 38 MW oil-fired Kahului Power Plant** due to close in 2024*

## **Paeahu Solar's Contributions to State and County Goals**

The Paeahu Solar Project, to be sited on Ulupalakua Ranch on approximately 150 acres of fallow grazing land, is a critical part of maintaining a reliable supply of power, achieving Maui's renewable energy goals, and reducing Hawai'i's dependence on imported fossil fuels. Paeahu Solar was one of 17 projects statewide to be selected by Hawaiian Electric through an RFP process initiated in 2018 to move Hawai'i toward its 100 percent renewable energy portfolio standard by 2045.

As part of the 100 percent renewable energy goal, Hawaiian Electric is tasked with closing the 74-year-old, fossil-fuel-burning Kahului Power Plant by 2024. Recently, two planned renewable projects have rescinded their PPA with the PUC, effectively cancelling the projects. The projects can no longer continue under their original PPA due to escalating costs and supply shortages for solar panels and batteries as well as increased shipping prices. Given these shifts with proposed RFP 1 and RFP 2 renewable projects, HECO has indicated that the 2024 closure date is in jeopardy, noting that 40MW of solar plus storage must be online to maintain a reliable grid after the plant closure. The Paeahu Solar Project is a key piece to eliminating the GHGs and pollution created by the Kahului Power Plant while ensuring energy security in Maui.



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## Contact Us

We encourage you to visit our website at <https://www.innergex.com/hawaii/paeahu/> to learn more.

Please do not hesitate to contact my colleague, Julia Mancinelli, our Maui team, Jeanne Skog and Teena Rasmussen, or me or to email [hawaiisolar@innergex.com](mailto:hawaiisolar@innergex.com) if you have questions or comments.

Mahalo

PAEAHU SOLAR LLC

## Oliver Robson

Oliver Robson  
Sr. Project Manager

Innergex Renewables USA LLC  
[hawaiisolar@innergex.com](mailto:hawaiisolar@innergex.com)

cc Julia Mancinelli – Innergex ([jmancinelli@innergex.com](mailto:jmancinelli@innergex.com))  
Jeanne Skog – Skog Rasmussen LLC ([jskog@skograsmussen.com](mailto:jskog@skograsmussen.com))  
Teena Rasmussen – Skog Rasmussen LLC ([trasmussen@skograsmussen.com](mailto:trasmussen@skograsmussen.com))