



Renewable Energy.
Sustainable Development.

November 25, 2022

RE:  **Barbers Point Solar Project Update
Decision to Cancel Power Purchase Agreement & Re-Bid into
Stage 3 Request for Proposals and Permitting Update**

Aloha Community Members,

As part of our ongoing commitment to keep the community up-to-date on Barbers Point Solar's latest developments, we hope you find this project update informative and helpful. As you know, the Barbers Point Solar Project (Project) is a proposed 15 MW solar and battery storage system to be located on Department of Hawaiian Home Lands (DHHL) on the island of O'ahu that would power approximately 6,200 homes with renewable energy. Innergex, and the Barbers Point Solar team, are grateful to the community, DHHL, the Public Utilities Commission (PUC), Hawaiian Electric Company (HECO), and other agencies for their ongoing support for this important project.

Decision to Cancel Power Purchase Agreement & Re-Bid into Stage 3 RFP

Barbers Point Solar Project was one of the six O'ahu-based projects selected by HECO as part of the Stage 2 Request for Proposals (RFP); the Power Purchase Agreement (PPA) for the Project was executed with HECO on September 3, 2020 and was approved by the PUC on March 23, 2023 under Docket No. 2020-0143.

Despite our best effort, this project is no longer financially viable under its current terms in the PPA. As such, we have informed HECO of our decision to not pursue the Barbers Point Solar Project under this PPA.

There are several reasons we came to this decision, which include:

- **Changing market conditions.** Innergex's initial bid was submitted prior to the global pandemic. The project's viability has been compromised due to procurement delays and price increases caused by COVID 19, the ongoing supply chain crisis, changing market conditions, and impacts to financing.
- **Regulatory delays.** There have been recent challenges to the regulatory framework that, in our experience, does not allow the advancement of renewable energy projects in Hawaii in a timely, reliable, and efficient manner.
- **Final interconnection costs.** The final cost requirement of interconnection by HECO was substantially higher than estimated during our PPA negotiations which has affected the financial viability of the project.

We greatly appreciate the willingness of HECO to find solutions to the unprecedented global supply chain and high inflationary impacts on project costs that have arisen since originally entering into an agreement several years ago. We will look to ways to revive the project as our company continues our long track record of investing in communities with reliable clean energy projects.

Innergex Renewable Energy Inc.

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

At this time Innergex remains committed to moving our other development projects in Hawaii forward and to resubmitting the Barbers Point Solar Project in the Stage 3 RFP process next year to help address the ever-growing power demands in the Kapolei area and aide the state in achieving its energy independence and goal of 100% renewable energy generation by 2045.

Permitting Update

While we are unable to proceed under the current PPA, Innergex is hopeful that there are still future opportunities for this critical infrastructure through the Stage 3 RFP. Therefore, we have continued to further crucial permitting efforts for the project.

Final Environmental Assessment (Final EA) and Findings of No Significant Impact (FONSI). As shared in our January 2022 community update, the Final EA and FONSI was published by the Environmental Review Program in the January 8, 2022 edition of the *The Environmental Notice*. The document can be accessed via the links provided below or by visiting the downloads section of the project website (<https://www.innergex.com/hawaii/barbers-point/downloads/>).

Archaeological Inventory Survey & Mitigation Plans.

The Archaeological Inventory Survey (AIS) completed by Pacific Legacy, Inc. identified 17 historic properties containing 438 features within the Barbers Point Solar Project Area. These include significant archaeological and historical sites relating to Hawaiian habitation and agricultural use during the pre-Contact and early post-Contact period as well as sites relating to the military history of the area dating from the World War II and post-WWII era. Significance assessments and mitigation recommendations for all 17 historic properties were developed in consultation with cultural descendants and project stakeholders, including Historic Hawaii Foundation.

The AIS report was accepted by the State Historic Preservation Division (SHPD) on October 6, 2022. The AIS recommended preservation of 348 features within 12 historic properties, and a detailed preservation plan was prepared by Pacific Legacy in consultation with project stakeholders. The preservation plan was accepted by SHPD in October. A total of 17 features at six historic properties were recommended for no further work in the AIS report. Archaeological data recovery was recommended for 42 features within seven historic properties and historical data recovery was recommended for two historic properties. Pacific Legacy prepared a data recovery plan to guide these investigations, which was accepted by SHPD in October. Data recovery investigations will be undertaken prior to project construction, and consultation will form an integral component to the data recovery effort. Pacific Legacy also prepared an archaeological monitoring plan, and SHPD accepted this mitigation plan in October.

Barbers Point Solar Project Overview

The Barbers Point Solar Project is a 15MW single-axis 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 would:

- provide Hawaiian Electric with flexible, semi-dispatchable renewable energy at **a fixed price for 25 years**
- provides enough electricity to power **the equivalent of 6,200 homes**
- provide **Kapolei region** with **stored** renewable generation and improve grid stability
- occupy approximately 100 acres of which solar panels will cover about 50 acres
- **displace about 1,139,396 barrels of fossil fuel** over the 25-year life of the project
- offset an **estimated 455,598 m net metric tons** of greenhouse gas emissions over the life of the project
- help reach the State's **goal of 100 percent renewable energy** by 2045
- provide a **valuable revenue stream for DHHL** over the next 24 years or more and will assist DHHL in **meeting Objective 2 of the Hawaiian Homes Commission 2009 Ho'omalū Energy Policy**
- provide community benefits that include a **percentage of revenue** to the Kalaeloa Community Development Corporation (KCDC), **preference to local employment and procurement**, and **local donations and sponsorships** such as solar training job fairs for recent graduates.

Contact Us

We wish to thank the local community and DHHL for their generous support throughout this process and look forward to continuing our relationships should we be successful in rebidding the project in the coming months.

Please do not hesitate visit our website at <https://www.innergex.com/hawaii/barbers-point/> or to contact my colleague Julia Mancinelli, or Jody Allione, or email barberspointsolar@innergex.com if you have questions or comments.

Mahalo

BARBERS POINT SOLAR LLC

Jamie Horner

Jamie Horner
Senior Director – Innovation and Storage

Innergex Renewables USA LLC
barberspointsolar@innergex.com

c.c. Julia Mancinelli, Director – Environment, – Innergex (jmancinelli@innergex.com)
Jody Allione - Community Engagement Consultant (jodyallione39@gmail.com)