

**SB 2658**

**LATE  
TESTIMONY**



TESTIMONY OF  
CRYSTAL KUA, DIRECTOR OF EXTERNAL AFFAIRS – HAWAII  
FIRST WIND SOLAR GROUP  
BEFORE THE SENATE COMMITTEE ON WATER AND LAND  
Wednesday, February 19, 2014  
1:00 p.m.  
Hawaii State Capitol Room 225

**TESTIMONY IN SUPPORT OF S.B. 2658 SD1 WITH AMENDMENTS**

Aloha Chair Solomon, Vice Chair Galuteria and members of the Senate Committee on Water and Land,

Mahalo for this opportunity to testify in support of S.B. 2658 SD1 with amendments.

First Wind develops, finances, builds and operates utility-scale renewable energy projects throughout the United States and is the largest producer of clean energy in Hawaii with 150 megawatts generated by our four wind projects on Oahu and Maui.

In 2013, First Wind formed the First Wind Solar Group to explore potential development opportunities near the company's wind projects in the Northeast, the West and Hawaii.

In Hawaii, First Wind is developing four utility-scale solar projects on Oahu for a total of 132 megawatts of new renewable energy. These projects will produce enough energy to:

- Power the equivalent of 40,000 homes on Oahu.
- Save Oahu residents approximately \$400 million over the 20-year life of the projects compared to Hawaiian Electric Company's current avoided cost of energy, if the projects are completed by the 2016 deadline for federal tax credits in 2016.
- Avoid using approximately 500,000 barrels of oil a year.

Our solar projects in Waiawa and Kawailoa are being proposed on agricultural land with a Land Study Bureau soil rating of Class B. These locations provide the right conditions to set up solar panels – relatively flat terrain with significant solar energy potential.

Currently, HRS Chapter 205 limits solar energy projects on class B and C agricultural land to 20 acres. In order to be financially viable and achieve the kind of clean energy production and cost-savings described earlier, utility-scale solar facilities will take up more than 20 acres. Our Waiawa project is proposed for 228 acres and Kawailoa is planned for 327 acres.

First Wind understands and is sensitive to the recent public conversations surrounding the use of agricultural land which is why First Wind supports S.B. 2658 SD1 with amendments.

This bill will allow for utility-scale solar projects on B- and C-rated agricultural land larger than 20 acres if the project also makes the land available for compatible agricultural activity. Sheep ranching has proven compatible with solar projects in Europe and on the mainland U.S. We are, however, also open to other recommendations for a compatible agricultural activity.

This dual use of the land is a win for renewable energy, a win for local agriculture, and a win for Hawai'i residents for the following reasons:

- The solar project could help provide affordable pasture land and infrastructure (e.g. fencing and roads) for the farmer or rancher, lowering costs and helping to promote local agribusiness.
- Sheep grazing could provide a sustainable way to manage vegetation, keeping the grass and weeds from shading the solar panels; and
- The combined use could provide local residents with both lower-cost clean energy and locally-raised agricultural products.

Because of recent comments we received from local farmers, ranchers and the different agencies with jurisdiction over HRS Chapter 205, we are requesting the bill be amended. The attached amendments will secure a benefit to agriculture and a process to ensure transparency and accountability. We thank and appreciate the assistance of the Land Use Commission and the Sierra Club in working with us toward the amendments.

For all these reasons, we respectfully request that the committee approve S.B. 2658 SD1 with the attached amendments.

Mahalo.

Proposed amendments to SB 2658 SD1:

Pages 2-3:

(6) Solar energy facilities; provided that:

(B) Solar energy facilities placed within land with soil classified as overall productivity rating class B or C shall not occupy more than ten per cent of the acreage of the parcel, or twenty acres of land, whichever is lesser[;], unless a special use permit is granted pursuant to section 205—6 and the area occupied by the solar energy facilities is also made available for compatible agricultural activities at a lease rate that is at least fifty per cent below the fair market rent for comparable properties; provided further that the solar energy facilities shall be decommissioned and removed within twelve months of the conclusion of operation.

For the purposes of this paragraph, “agricultural activities” means the activities described in paragraphs (1) through (3);

Pages 14-15:

(20) Solar energy facilities [~~that do not occupy more than ten per cent of the acreage of the parcel, or twenty acres of land, whichever is lesser;~~] for which a special use permit has been granted pursuant to section 205—6; provided that [this]:

(A) The area occupied by the solar energy facilities is also made available for compatible agricultural activities at a lease rate that is at least fifty per cent below the fair market rent for comparable properties;

(B) The solar energy facilities shall be decommissioned and removed within twelve months of the conclusion of the operation; and

(C) This use shall not be permitted on lands with soil classified by the land study bureau’s detailed land classification as overall (master) productivity rating class A1;]

For the purposes of this paragraph, “agricultural activities” means the activities described in paragraphs (1) to (3); or

[[ (21) ]] Geothermal resources exploration and geothermal resources development, as defined under section 20 182—1.”