







CoverPage

Final Audit Report

2023-01-21

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-  Document created by Alison Andrews (ali@shake-energy.com)
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Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
 - a) Budget request by source of funds ([Link](#))
 - b) Personnel salaries and wages ([Link](#))
 - c) Equipment and motor vehicles ([Link](#))
 - d) Capital project details ([Link](#))
 - e) Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing

Christopher O'Brien
Christopher O'Brien (Jan 20, 2023 15:50 HST)

Christopher O'Brien, Treasurer

1-20-2023

AUTHORIZED SIGNATURE

PRINT NAME AND TITLE

DATE







GIAChecklist.docx

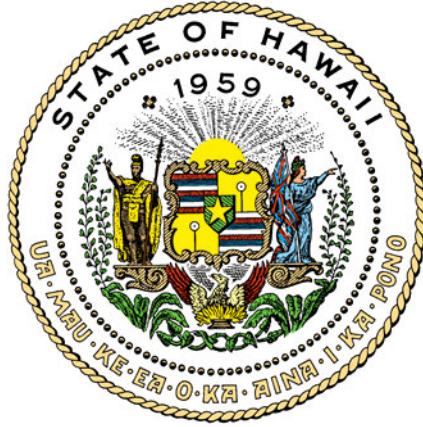
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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

HO`ĀHU ENERGY COOPERATIVE MOLOKAI

was incorporated under the laws of Hawaii on 01/29/2021 ;
that it is an existing agricultural cooperative association;
and that as far as the records of this Department reveal,
has complied with all of the provisions of Chapter 421 of the
Hawaii Revised Statutes, regulating agricultural cooperative
associations.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of the
Department of Commerce and Consumer
Affairs, at Honolulu, Hawaii.

Dated: January 19, 2023

Director of Commerce and Consumer Affairs

Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Certification – Please attach immediately after cover page

1. Certificate of Good Standing (If the Applicant is an Organization)

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2022.

2. Declaration Statement

The applicant shall submit a declaration statement affirming its compliance with [Section 42F-103, Hawaii Revised Statutes](#).

3. Public Purpose

The applicant shall specify whether the grant will be used for a public purpose pursuant to [Section 42F-102, Hawaii Revised Statutes](#).

II. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

1. A brief description of the applicant's background;

Ho'āhu Energy Cooperative Molokai (Ho'āhu) is a grassroots community organization led by Molokai community members seeking energy sovereignty for the island of Molokai. Ho'āhu is a consumer cooperative incorporated in Hawai'i in January 2021. Ho'āhu is designated a 501(c)(12) non-profit entity. Ho'āhu has a board of 5 individuals that serve on a volunteer basis and a staff of 3 part-time employees.

Ho'āhu's mission is to produce community-owned, affordable, renewable energy for the benefit of our members, the community, and environment. The cooperative's first project was to co-design a shared solar project under Hawaiian Electric's Community Based Renewable Energy Program. While designing this project the cooperative also launched a workforce development program to train Molokai residents in renewable energy design, installation, and management. Committed to energy democracy, Ho'āhu hosts regular public workshops to share information and collectively design its projects and programs.

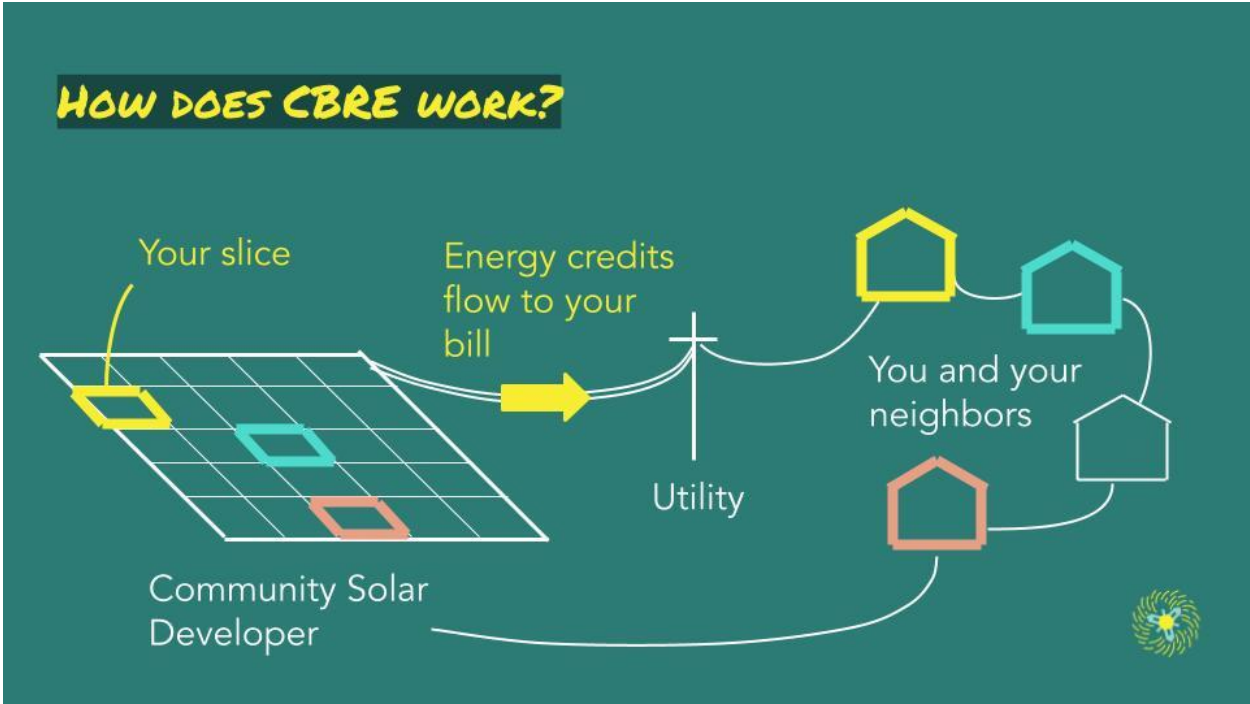
In March 2022, Ho'āhu submitted two proposals for solar photovoltaic (PV) and battery energy storage system (BESS) projects under Hawaiian Electric's CBRE Request for Proposals (RFP), with the support of two energy development companies, Shake Energy Collaborative (Shake) and Mana Pacific Inc (Mana). In August 2022 Ho'āhu and Hawaiian Electric entered into direct negotiations for contracts for the two projects. The utility and the cooperative came to an agreement on the contract terms in December 2022, resulting in the two projects moving forward towards a final contract which is projected to be submitted for approval by the Public Utilities Commission in March 2023.

2. The goals and objectives related to the request;

In this request, Ho'āhu seeks funding to support the development and construction of the two CBRE projects in order to increase the benefits of the project for participating Molokai residents. Through these projects, Ho'āhu's goals include:

- Lower the cost of electricity for Molokai's most energy-burdened families
- Employ local labor in the construction and management of the facilities
- Ensure energy infrastructure reflects community values
- Reduce the island of Molokai's dependence on fossil fuels and carbon footprint while making the environment cleaner
- Build the first utility-scale renewable energy project on the island

The CBRE Program was designed to enable electricity customers across the state to access the benefits of renewable energy without installing solar PV on their roofs. Many electricity customers cannot install rooftop solar because they rent their homes, have a shaded or damaged roof, cannot afford the upfront cost of a PV system, or for other reasons. Under the CBRE program, a solar farm is built and connected to the grid and electricity customers on the same island can sign up for a subscription for a portion of the electricity produced by the solar farm. Those customers pay the solar farm owner for their subscription upfront and/or by ongoing payments, and in return receive a credit on their utility bill proportional to their subscription size. The credit should be larger than the subscription, resulting in a net benefit, or net savings, to subscribers. See the diagram below of an example CBRE project's transaction. Due to a confidentiality agreement with the utility, Ho'āhu cannot share the actual credit amount publicly at this time.



ACCOUNT SUMMARY (See Bill Detail section for more information)				MESSAGES			
Service Period	07/08/21 - 08/05/21			CBRE Subscription: 2 kW from CBRE Solar Farm			
Previous Balance	\$299.66			Item	Per unit	Quantity	Total
Payments	\$299.66-			Solar Credit	\$65/kW	2 kW	\$130
OUTSTANDING BALANCE	\$0.00			Subscription fee	(\$50/kW)	2 kW	(\$100)
Current Charges	\$164.36			Net CBRE Savings			\$30
Current Charges	\$164.36						
TOTAL AMOUNT DUE 08/28/2021	\$164.36						
Net CBRE Savings	- \$30.00						
NEW TOTAL AMOUNT DUE	\$134.36						
				PERIOD			
R Residential Service				FROM 07/08/21 TO 08/05/21 29 DAYS			
METER#	REGISTER	CURRENT READING	PREVIOUS READING	DIFFERENCE	MULTIPLIER	USAGE	
MPX000353284	KWH	23,136.00	22,626.00	510.00	1	510.00	
USAGE PROFILE							
ELECTRIC USAGE PROFILE FOR METER MPX000353284							
AVG	DATE	KWH	AMOUNT	DAYS	KWH/DAY	\$/DAY	
27	08/05/21	510	\$167.36	29	17.59	5.77	
24	07/07/21	511	\$162.61	33	15.48	4.93	
21	06/04/21	466	\$143.05	29	16.07	4.93	
18	05/06/21	293	\$90.31	30	9.77	3.01	
15	04/06/21	312	\$95.54	32	9.75	2.99	
12	03/05/21	265	\$82.16	29	9.14	2.83	
9	02/04/21	388	\$111.52	29	13.38	3.85	
6	01/06/21	523	\$143.29	30	17.43	4.78	
3	12/07/20	473	\$130.74	32	14.78	4.09	
0	11/05/20	642	\$176.21	31	20.71	5.68	
	10/05/20	647	\$175.85	32	20.22	5.50	
	09/03/20	534	\$142.00	30	17.80	4.73	
	08/04/20	636	\$172.13	29	21.93	5.94	

By seeking grant funding to cover a portion of the projects' costs, Ho'āhu aims to lower the amount of debt financing required to fully fund the project. Less debt funding enables Ho'āhu to charge its members a lower subscription fee while keeping their energy credit constant, thereby increasing subscribers' net monthly savings.

3. The public purpose and need to be served;

Molokai families and small businesses pay some of the highest electricity rates in the state, reaching a peak of nearly 55¢/kWh in Spring 2022. These rates are almost 4 times the national average. These community-owned CBRE projects will help lower the electricity bills for residents of Molokai. Without grant funding, Ho'āhu projects create an effective savings of around 10-15% for subscribers. This grant will enable the cooperative to increase savings to approximately 15-20%. Ho'āhu is also seeking additional grant funding, with an expected \$3,000,000 in Congressionally-directed spending which would increase savings by an additional 10-12%.

4. Describe the target population to be served; and

Ho'āhu aims to offer subscriptions to mostly residential electricity customers, as well as local small businesses. Based on the expected output of the facilities and the most recent data on the average household usage on Molokai, the project can serve approximately 1,500 homes. There are 2,693 grid-tied residential electricity customers on Molokai, of which 420 already have residential rooftop solar, leaving 2,273 households eligible to subscribe to the two CBRE projects.

Molokai has been energy oppressed for decades. According to the Hawai'i State Energy Office, the average residential electricity price on Molokai has remained above the 275% national average benchmark of 36.27¢/kWh for the majority of the last ten years. In 2019, the most recent year for which the document reports data, the average residential electricity price on Molokai was 41¢/kWh. During the recent increase in diesel costs in Spring 2022, Molokai's effective energy rates leapt to over 45¢/kWh for homes and almost 55¢/kWh for businesses.

Poverty rates on Molokai—with 24.6% West Molokai and 15.4% in East Molokai—are significantly higher than the state average of 9.3%. Calculating a weighted average of the two tracts, the area served by the project has a poverty rate of 18.8%. In the 2011 American Community Survey, both East and West Molokai census tracts had a greater than 20% poverty rate.

Through the community co-design workshops that Ho'āhu has hosted, the Molokai community expressed the following priorities and strategies for offered subscriptions to those customers who need it the most:

- Outreach to renters in low-income housing areas
- Outreach to kupuna (elders) on fixed incomes through other kupuna services on island – especially those with electrical medical devices at home
- Outreach through Hawaiian Homestead associations and alliances to homestead beneficiaries

5. Describe the geographic coverage.

Subscriptions to the project will be made available to residents and small businesses across the island of Molokai. The two projects will be physically located at the following addresses:

- Kualapu'u Recreation Center – 1 Uwao St, Ho'olehua, HI 96729
- Adjacent to the Pālā'au Power Plant – Ulili St, Kaunakakai, HI 96729

III. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

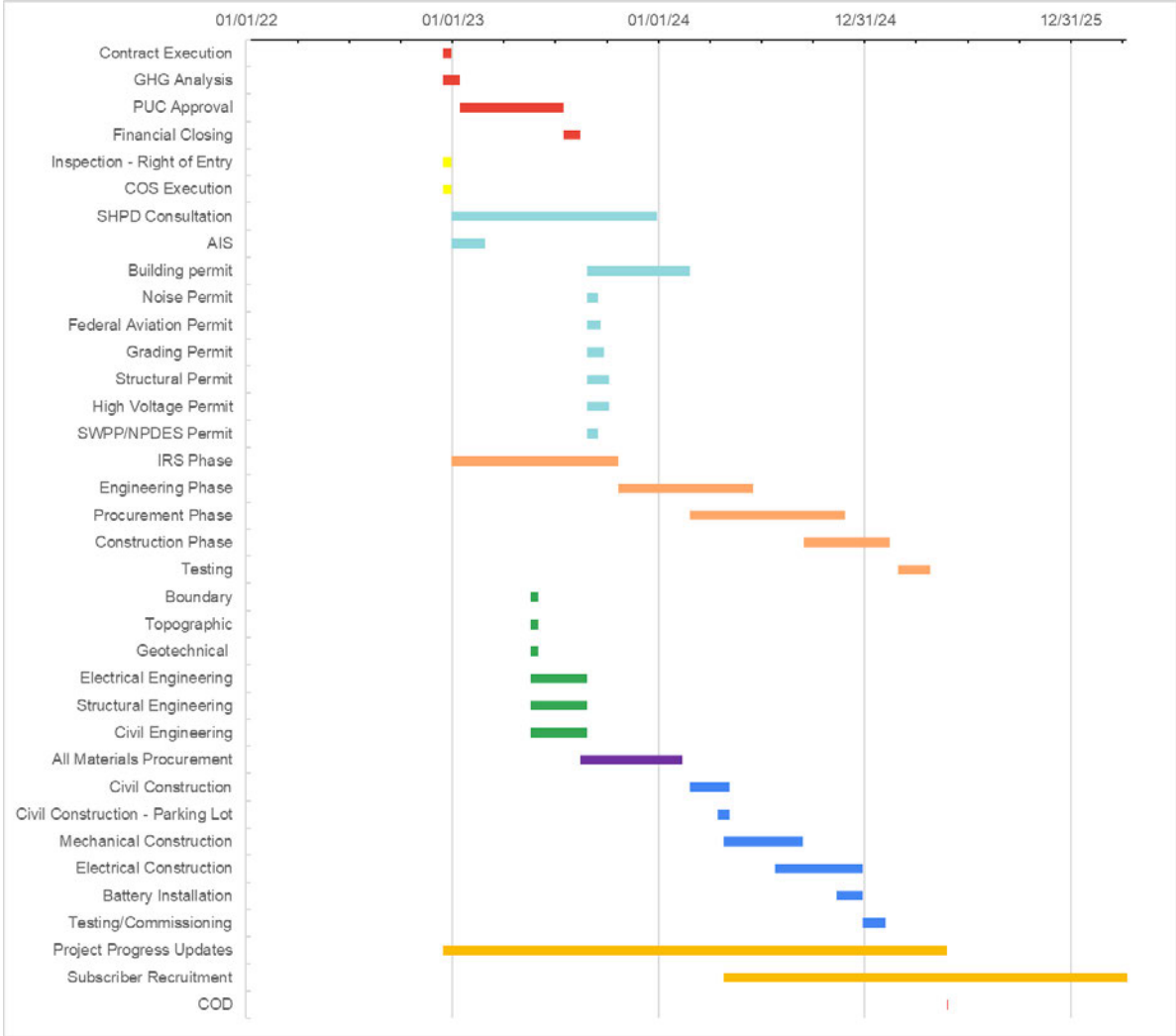
Ho'āhu will oversee the development, construction, and operation of these Solar PV and BESS projects, with most tasks completed by its contracted development partners, Shake and Mana, and other subcontractors.

Shake will manage the contracting with the utility, seeking the appropriate permits and governmental approvals, arranging the project financing, and facilitating the community co-design. Mana will manage the project engineering, interconnection and construction. Ho'āhu board, staff and volunteers will be responsible for continued participation in the design and decision-making of the project as well as conducting outreach and subscriber recruitment once the project in the year leading up to the completion of project construction (2024-2025).

In addition, the projects are supported by other contractors including Morikawa & Associates, which provides Design and Engineering services, and Orrick, which provides legal counsel on contract terms as well as project finance structuring.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;

Please see the Table below of development activities that will span the next 2.5 years until the project is operational in mid-2025.



Category	Milestone	Start Date	End Date
Contract	Contract Execution	12/22/22	2/24/23
	GHG Analysis	1/9/23	3/10/23
	PUC Approval	3/10/23	11/6/23
	Financial Closing	11/6/23	12/6/23
Site Control	Inspection - Right of Entry	12/22/22	2/24/23
	COS Execution	12/22/22	2/24/23
Permitting	SHPD Consultation	2/24/23	2/24/24
	AIS	2/24/23	4/25/23
	Building permit	10/3/23	4/3/24

	Noise Permit	10/3/23	10/23/23
	Federal Aviation Permit	10/3/23	10/28/23
	Grading Permit	10/3/23	11/2/23
	Structural Permit	10/3/23	11/12/23
	High Voltage Permit	10/3/23	11/12/23
	SWPP/NPDES Permit	10/3/23	10/23/23
Interconnection	IRS Phase	2/4/23	10/3/23
	Engineering Phase	10/3/23	5/28/24
	Procurement Phase	2/6/24	11/6/24
	Construction Phase	8/26/24	1/25/25
	Testing	2/8/25	4/7/25
Surveys	Boundary	6/25/23	7/9/23
	Topographic	6/25/23	7/9/23
	Geotechnical	6/25/23	7/9/23
Engineering	Electrical Engineering	6/25/23	10/3/23
	Structural Engineering	6/25/23	10/3/23
	Civil Engineering	6/25/23	10/3/23
Procurement	All Materials Procurement	12/6/23	6/3/24
Construction	Civil Construction	4/3/24	6/12/24
	Civil Construction - Parking Lot	5/22/24	6/12/24
	Mechanical Construction	6/2/24	10/20/24
	Electrical Construction	8/31/24	2/2/25
	Battery Installation	12/19/24	2/2/25
	Testing/Commissioning	2/2/25	3/15/25
Community Outreach	Project Progress Updates	12/22/22	4/7/25
	Subscriber Recruitment	4/7/24	4/7/26
COD	COD	4/7/25	4/8/25
	GCOD	12/5/23	12/6/23

2. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

To ensure the quality of the electrical output for its subscribers, Ho'āhu will secure industry-standard warranties from all equipment providers as well as performance guarantees from the contractors selected to install the equipment. These guarantees will ensure that the solar and battery storage facilities are providing the expected output to the grid, which ensures the maximum credits get applied to subscribers bills.

To ensure that Ho'āhu reaches those residents who most need these bill credits, Ho'āhu will partner with other community-based organizations, such as Sust'āinable Molokai, Hawaiian Homestead associations and alliances, to share information about the opportunity to subscribe. Ho'āhu has budgeted for ongoing part-time personnel to manage the subscription program over the 20-year contract term. These personnel will ensure that if participation decreases (such as if a family moves off-island and must drop their subscription) then a waitlist is created to fill subscription vacancies.

3. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

During the fiscal year 2023-2024, Ho'āhu will report to the expending agency achievement of the development milestones outlined in the table above. After the fiscal year, Ho'āhu can report to the expending agency operational success metrics including:

- Percentage of the project subscribed (%)
- Effective savings per kW of subscription (\$/month/kW)
- Percentage subscribers low-income (self-reported) (%)
- Penalties imposed, if any, by utility for facility underperformance (\$/month)

IV. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds (Link)
 - b. Personnel salaries and wages (Link)
 - c. Equipment and motor vehicles (Link)
 - d. Capital project details (Link)
 - e. Government contracts, grants, and grants in aid (Link)

- The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2024.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$313,000	\$313,000	\$313,000	\$316,720	\$1,255,720

- The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2024.

Ho'āhu intends to finance the projects, which are projected to cost a total of \$19.8M, with funds from the following sources in addition to this GIA request:

- A loan from the Hawai'i Green Infrastructure Authority of up to \$7.5M, pending approval from the PUC
- A federal grant through the Congressionally Directed Spending funding channel of \$3M
- Additional grant funding from other sources to be identified, including the County of Maui from which Ho'āhu intends to request \$1.17M
- Loans to serve the balance of the system costs (up to \$9.3M) from mission-aligned lenders including Inclusive Prosperity Capital, RSF Finance and Ulupono Initiative

Ho'āhu is projecting to secure financing agreements in Q3 of 2023, while actual costs incurred and funds disbursed are expected to extend from Q1 2023 to Q4 2025.

- The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Ho'āhu has not applied for any state or federal tax credits to date. Ho'āhu intends to apply for the federal Investment Tax Credit (ITC) based on eligible project costs, pending expected guidance to be released by the IRS in Q1 2023. Ho'āhu also intends to apply for the Hawai'i Renewable Energy Technology Investment Tax Credit (RETITC) for eligible project costs.

- The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2024 for program funding.

Secured Grants

County of Maui Current Grants:

- \$74,000 from the Office of Economic Development
- \$150,000 from the Office of Climate Change, Resiliency and Sustainability
- \$30,000 - from the Department of Environmental Management

Federal Omnibus 2023 Grant: \$3,000,000 from the Department of Energy

Pending Grants

County of Maui 2023 Line Item Proviso (Approved but not yet contracted): \$250,000

County of Maui Capital Grant Request: \$1,117,936

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2022.

Ho'āhu had \$100,000 in unrestricted assets as of December 31, 2022.

V. Experience and Capability

1. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Ho'āhu has engaged a diverse team of experienced individuals and organizations to develop this project, as illustrated in the Organizational Chart below. Ho'āhu, led by its board of 5 community leaders, is the Proposer and long-term owner and operator, also called the Subscriber Organization, of the project. Ho'āhu engaged the services of its two Co-Development Partners, Shake Energy Collaborative, P.B.C. and Mana Pacific, Inc., through a Development Services Agreement signed in August 2021. Shake Energy and Mana Pacific have a Cooperation Agreement, in which the tasks associated with developing the project are split between the two companies. Shake Energy Collaborative manages the Permitting, Community Engagement and Outreach, Site Selection and Control, Subscription Program Design, and Bid Package Coordination. Mana Pacific manages Design and Engineering, Interconnection, and Construction. Both co-developers share the task of Project Finance.

Shake Energy Collaborative manages the services of three contractors under its development tasks: Karen Kamalu Poepoe and Louella 'Ōpu'ulani Albino, cultural practitioners who provide cultural rooted perspectives and analysis to the project; Adelita Barrett, Principal at Bright Futures Consulting who provides renewable energy project financial modeling and transaction support to the project; and Louise Gibbons, Partner at Orrick, and her colleagues who provide counsel on renewable contracts and project finance.

Mana Pacific oversees the work of two contractors under its project development tasks: Lyman Morikawa and engineers at Morikawa and Associates, who provide civil, structural and electrical design and engineering services; Arizona State University Laboratory for Energy and Power Solutions (ASU LEAPS), who provide renewable energy design and power systems modeling consulting, design validation and engineering analysis services. The Laboratory for Energy and Power Solutions (LEAPS) at Arizona State University (ASU) has provided assistance in reviewing and comprehending the RFP. LEAPS has also performed independent modeling of the

technical performance of the solar PV system designs that validate Mana Pacific's designs. LEAPS is qualified to assist in detailed system design (including power flow analysis), lead or assist in training efforts, and assist in implementation of site SCADA and control architecture.

Ho'āhu has also been supported by a number of pro-bono and paid consultants over the course of project design and development who do not have a formal role in the Organization Chart for this project, including: policy advocacy support from Honolulu attorney Chase Livingston, interconnection engineering analysis from X Utility, and Cooperative development support from the Kohala Center as well as People Solar Energy Fund, of which Ho'āhu is a member.

Member of the Mana Pacific Team have worked successfully on past projects with both Morikawa and Associates as well as ASU LEAPS on the following projects:

Morikawa and John Miller have worked on several projects together. Morikawa provided the engineering drawings and plans on the following projects (more information below): Malosi Solar Project in American Samoa, US Army Reserve Center in American Samoa, and Napuu Well, at Pu'u Wa'a Wa'a Ranch on the Island of Hawaii, Hawaii. Don Suzuki of Morikawa worked with James Rudolph on the City & County of Honolulu Covanta H-Power PV System Project.

Ms. Olga Reym and Mr. Joe Reed of Mana Pacific and Dr. Nathan Johnson of ASU LEAPS together serve as Advisors at MK Advisors LLC, an advisory firm specializing in incubating renewable energy and resiliency technology companies. Mana Pacific was one of the companies MK Advisors incubated. Prior to joining Mana Pacific full time in August 2020, Ms. Reym served as Project Director for MK Advisors from Sept 2019-July 2020, and oversaw the firm's participation in the forming of a Consortium with Dr. Nate Johnson of ASU LEAPS. The Consortium was awarded a \$39M USD contract with USAID's Advancing Modern Power through Utility Partnerships (AmpUp), a program designed to support utility innovation globally. In March of 2020, Ms. Reym completed ASU LEAPS Microgrid Bootcamp Training, and collaborated with Dr. Johnson and Dr. Nelson on early-stage project development opportunities.

Joe Reed and John Miller both worked at the same time, from Jan 2018 to Aug 2020, with Recurrent Energy, a leading North American utility-scale solar and energy storage project developer. As Managing Director of Canadian Solar, Mr. Reed worked directly with Recurrent Energy, as Canadian Solar's development partner. In this capacity, Mr. Reed performed a liaison role with Recurrent regarding progress updates with the American Samoa projects (described below) which used Canadian Solar products. While Senior Project Developer and Project Manager at Hawaii Unified, Mr. Miller co-developed the American Samoa projects as described below with Recurrent Energy. Additional information is in their bios.

In his role as Managing Director Corporate Development at Canadian Solar from 2015-2020, Reed worked closely with Powin on several separate projects and other

initiatives. Reed has significant collaboration experience with Powin storage systems and the overall technology differentiation and development roadmap for Powin systems.

Below is an selection of relevant project the team members have led and supported:

- Mana Pacific (Joe Reed): Sri Lanka Floating Solar, Madura Oya Reservoir, Sri Lanka, Floating Solar + storage, 100MW, Battery Storage 400MW, 2 years 2018-2020
- Mana Pacific (Joe Reed): US Navy Liberty Co Project, Lemoore, CA., PV plus storage, 40 MW PV plus 100+MWh storage, 2017-2019
- Mana Pacific (John Miller) and Morikawa and Associates(Lyman Morikawa): US Army Reserve Center, Tafuna, American Samoa, PV + Storage, 325 kW Solar PV + 350 kWh BESS, Principal and lead designer, 2017- 2019
- Mana Pacific (John Miller) and Morikawa and Associates(Lyman Morikawa): Napuu Well, HELCO NEM IPP, Pu'u Wa'a Wa'a Ranch, Koloa Energy Developments, 300 kW PV + 1,000 kWh BESS, 2017-2019

2. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

Ho'āhu does not have a physical office and all employees and contractors work remotely. Ho'āhu does not plan to secure an office facility at present.

Ho'āhu has plans for securing site control at the two solar and storage facilities. The larger of the two sites will be located on a vacant parcel of land owned by Hawaiian Electric. Use of the land was offered in conjunction with the CBRE RFP and a 20-year contract for the land is already drafted and will be signed in conjunction with the Power Purchase Agreement. The smaller of the two projects will be located at a Maui County site in Kualapu'u. In order to meet the utility's RFP requirements, Ho'āhu secured a letter of support from Maui County for the CBRE being located at this site. Ho'āhu will work with the County to determine the details of permission to use the site.

VI. Personnel: Project Organization and Staffing

1. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

Ho'āhu's current internal team, comprised of a Project Coordinator, two contracted position through Kupu, and a bookkeeper, manages current programs such as workforce development and project design processes while Ho'āhu's contracted co-developers manage the development, financing and construction of the CBRE projects for which this funding is requested. Please see above qualifications for the contractors in executing the activities required to develop renewable energy.

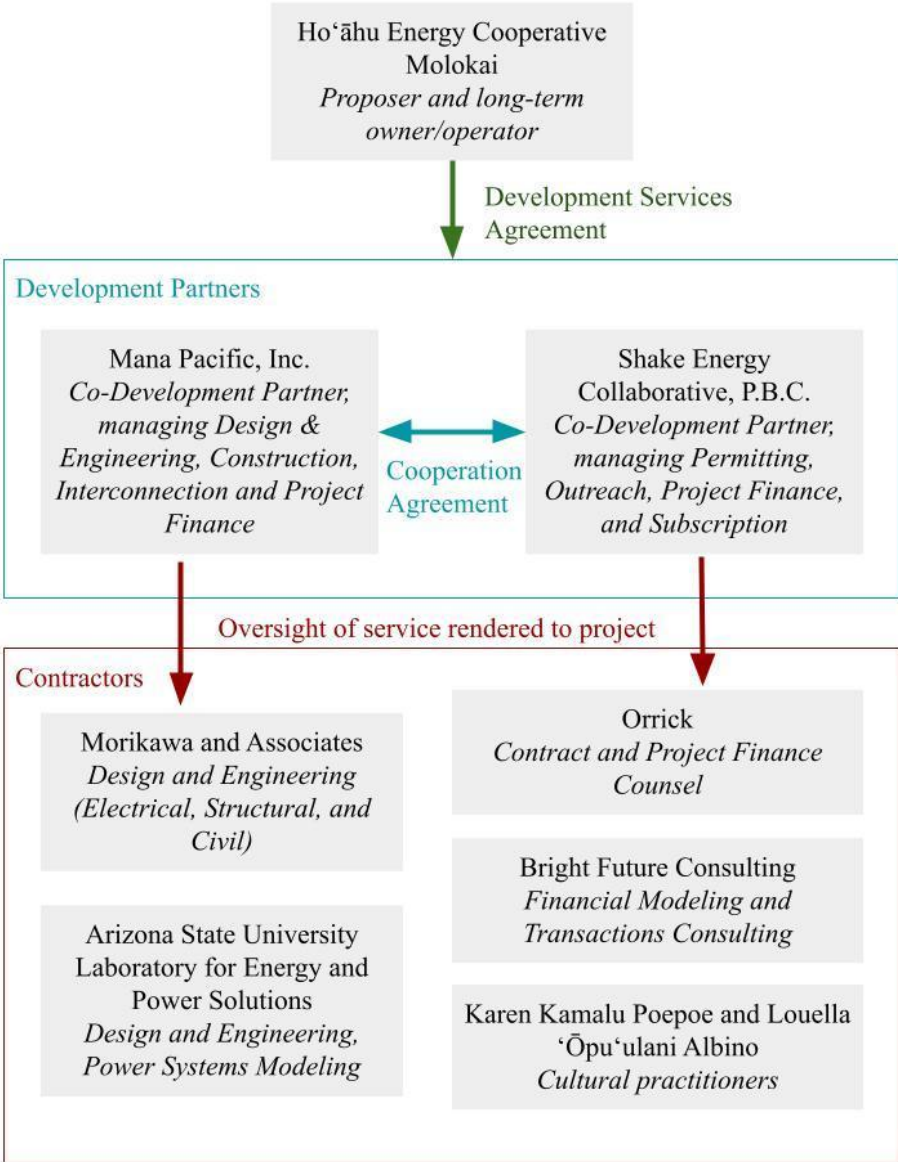
Ho'āhu volunteer board members oversee this contract and direct the design of the projects through a co-design process, which includes members of the broader Molokai community who participate in the public workshops. The board and participating community members are responsible for ensuring selection of technology, site, partners, financing and other aspects of the project align with community values.

Once the project is close to operational, Ho'āhu will hire a CBRE Project Manager to oversee outreach and subscriber member recruitment. This CBRE Project Manager will be managed by the Program Manager (a position for which Ho'āhu board is currently hiring). Please see below organizational chart.

2. Organization Chart

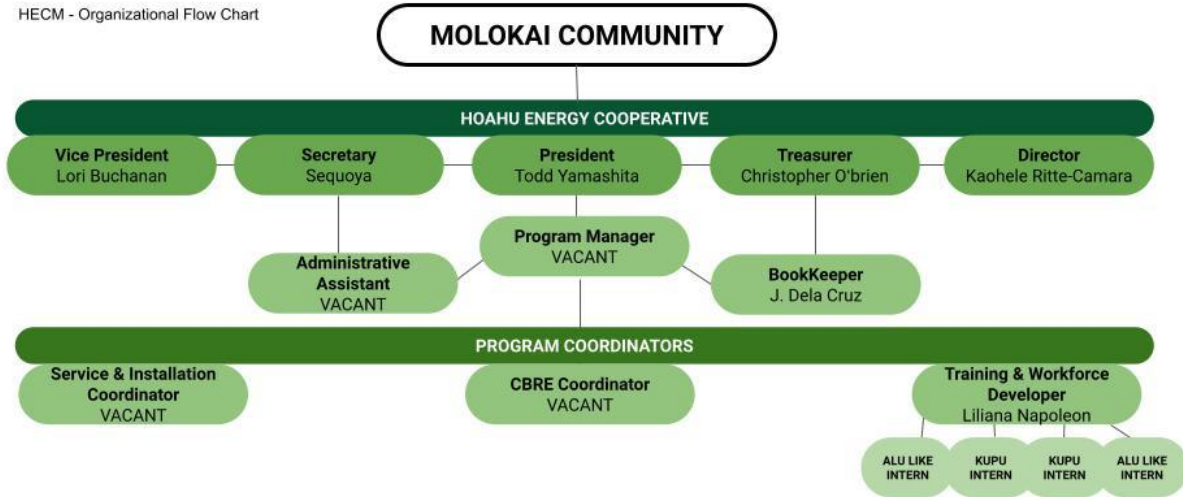
The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

Below is the organization chart for Ho'āhu and its contractors in the implementation of the two projects.



Below please find the organization chart for Ho'āhu's internal team on this and other programs.

HECM - Organizational Flow Chart



11.14.22 updated LN

3. Compensation

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

Manager (hiring now) \$62,400 - \$75,000
 Project Coordinator II \$21,060 - \$30,000 (Part Time)
 Admin assistant (hiring now) (Part Time) \$15,600 - \$20,000

VII. Other

1. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

This section is not applicable.

2. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

This section is not applicable.

3. Private Educational Institutions

The applicant shall specify whether the grant will be used to support or benefit a sectarian or nonsectarian private educational institution. Please see [Article X, Section 1, of the State Constitution](#) for the relevance of this question.

This section is not applicable.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2023-24 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2023-24, but
- (b) Not received by the applicant thereafter.

The projects will be in development and construction from now until mid-2025, during which time Ho'āhu will finance the total project capital costs of \$19.8M from a variety of loan and debt sources listed above. After the grant funds are used up in fiscal year 2023-2024, Ho'āhu will draw upon loans (for which Ho'āhu received letters of intent from lenders for total loan amounts that well exceed the cost of the project). Upon completion of the construction, the projects will commence a 20-year power purchase agreement (PPA) with Hawaiian Electric, which will ensure long-term revenue from both the utility and subscribers (see diagram above). This revenue will be used to both repay the balance of the debt as well as pay the ongoing operating costs of the projects including Ho'āhu personnel.

In addition to the ongoing energy payments, Ho'āhu will receive payments from the IRS and the State of Hawai'i for the refundable portions of the tax credits applied for. Those payments will be used to pay back significant portions of the debt within 1-2 years after operations began.

The project has been extensively modeled by professionals in order to ensure the balance of payments and costs result in a stable benefit for the Moloka'i community.

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided; and
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.
- 4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Ho'āhu Energy Cooperative Molokai	
(Typed Name of Individual or Organization)	
<u>Christopher O'Brien</u>	1-20-2023
Christopher O'Brien (Jan 20, 2023 14:53 HST)	
(Signature)	(Date)
Christopher O'Brien	Treasurer
(Typed Name)	(Title)







Page5.docx

Final Audit Report

2023-01-21

Created:	2023-01-21
By:	Alison Andrews (ali@shake-energy.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAABc5lr8gyE9BwbqgsXeoL7xnmsUnkclJR

"Page5.docx" History

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-  Document emailed to treasurer@hoahuenergy.coop for signature
2023-01-21 - 0:47:14 AM GMT
-  Email viewed by treasurer@hoahuenergy.coop
2023-01-21 - 0:52:53 AM GMT- IP address: 172.226.77.27
-  Signer treasurer@hoahuenergy.coop entered name at signing as Christopher O'Brien
2023-01-21 - 0:53:14 AM GMT- IP address: 172.226.77.27
-  Document e-signed by Christopher O'Brien (treasurer@hoahuenergy.coop)
Signature Date: 2023-01-21 - 0:53:16 AM GMT - Time Source: server- IP address: 172.226.77.27
-  Agreement completed.
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BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2023 to June 30, 2024

Applicant: Ho'āhu Energy Cooperative Molokai

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	187,200		87,360	
2. Payroll Taxes & Assessments	28,080		13,104	
3. Fringe Benefits	37,440		17,472	
TOTAL PERSONNEL COST	252,720		117,936	
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance	3,000			
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
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15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	3,000			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	1,000,000	3,000,000	1,000,000	14,800,000
TOTAL (A+B+C+D+E)	1,255,720	3,000,000	1,117,936	14,800,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,255,720	Ho'āhu Energy Cooperative Molokai (808)634-0174		
(b) Total Federal Funds Requested	3,000,000	Name (Please type or print) Phone		
(c) Total County Funds Requested	1,117,936	<u>Christopher O'Brien</u> 1-20-2023		
(d) Total Private/Other Funds Requested	14,800,000	Christopher O'Brien (Jan 20, 2023 15:49 HST) Signature of Authorized Official Date		
TOTAL BUDGET	20,173,656	Christopher O'Brien, Treasurer Name and Title (Please type or print)		







Page6.xlsx - P205_95

Final Audit Report

2023-01-21

Created:	2023-01-21
By:	Alison Andrews (ali@shake-energy.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAJxKSLr4QBGVZEYyuy40OzHgVoOrkXdM9

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2023-01-21 - 1:48:45 AM GMT- IP address: 172.226.77.27
-  Signer treasurer@hoahuenergy.coop entered name at signing as Christopher O'Brien
2023-01-21 - 1:49:06 AM GMT- IP address: 172.226.77.27
-  Document e-signed by Christopher O'Brien (treasurer@hoahuenergy.coop)
Signature Date: 2023-01-21 - 1:49:08 AM GMT - Time Source: server- IP address: 172.226.77.27
-  Agreement completed.
2023-01-21 - 1:49:08 AM GMT

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES Period: July 1, 2023 to June 30, 2024

Applicant: Ho'āhu Energy Cooperative Molokai

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Executive Director	1	\$99,840.00	50.00%	\$ 49,920.00
CBRE Project Manager	1	\$62,400.00	100.00%	\$ 62,400.00
Admin Assistant	1	\$37,440.00	100.00%	\$ 37,440.00
Finance Director	1	\$74,880.00	50.00%	\$ 37,440.00
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				187,200.00
JUSTIFICATION/COMMENTS: Executive Director at \$48 per hour x 40 hours a week x 52 weeks 50% charged to this grant. CBRE Project Manager 52 weeks 100% charged to this grant. Admin Assistant at \$18 per hour x 40 hours a week x 52 weeks 50% charged to this grant. Finance Director at \$74,880.00 50% charged to this project.				

Applicant: Ho'āhu Energy Cooperative Molokai

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL				

JUSTIFICATION/COMMENTS: All equipment costs (such as PV panels and battery modules are included in the capital costs)

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL				

JUSTIFICATION/COMMENTS:

Applicant: Ho'āhu Energy Cooperative Molokai

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2021-2022	FY: 2022-2023	FY:2023-2024	FY:2023-2024	FY:2024-2025	FY:2025-2026
PLANS	\$20,000			420000		
LAND ACQUISITION						
DESIGN			470000			
CONSTRUCTION				3250000	3250000	
EQUIPMENT			530000	6440000	6440000	
TOTAL:			1,000,000	9,690,000	9,690,000	
JUSTIFICATION/COMMENTS: Permitting \$220k, Interconnection studies \$200k, Design & Engineering \$470k, PV Panels & inverters \$2M, racking \$1.4M, Batteries \$4.8M, construction \$6.5M, Interconnection facilities \$200k, Financing, development, contingencies and additional costs \$4M						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: Ho'āhu Energy Cooperative Molokai

Contracts Total: 3,504,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S./State/Hawaii/ Honolulu/ Kauai/ Maui County)	CONTRACT VALUE
1	Renewable Energy Workforce Development	FY 2021	Office of Economic Development	Maui County	74,000
2	Renewable Energy Workforce Development	FY 2022	Office of Climate Change, Resiliency, and Sustainability	Maui County	150,000
3	PV Panel Recycling and Storage	FY 2023	Department of Environmental Management	Maui County	30,000
4	Renewable Energy Workforce Development	FY 2023	TBD (approved but not contracted)	Maui County	250,000
5	Capital Grant for CBRE Project	FY 2023	Department of Energy	U.S.	3,000,000
6					
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