

DEPARTMENT OF WATER SUPPLY • COUNTY OF HAWAI'I

345 KEKŪANAŌ`A STREET, SUITE 20 • HILO, HAWAI`I 96720 TELEPHONE (808) 961-8050 • FAX (808) 961-8657

October 26, 2015

Lālāmilo Windfarm Information Sheet

Overview

On January 9, 2015, the Department of Water Supply (DWS) obtained a new lease from the state of Hawai'i for a windfarm in Lālāmilo, South Kohala. In 2011 a similar state/DWS lease agreement had expired for a previous windfarm constructed in the mid-1980's that was decommissioned in anticipation of re-powering the site. The proposed new windfarm, located adjacent to eight DWS water wells, will provide a much less expensive renewable energy source for the DWS pumping equipment and generate significant energy savings for DWS customers. To maximize the use of renewable energy, radio controls will be installed to coordinate DWS operations with the wind generated energy production.

Benefit to Water Supply Customers, Hawai'i County, and state of Hawai'i

DWS's mission is to provide affordable water service to the people of Hawai'i Island. In April 2011, DWS established an energy policy to reduce energy use and its associated costs and environmental impacts. The Lālāmilo windfarm is consistent with this policy and is expected to save DWS customers **\$1.0 million** per year in energy costs over the next 20 years. New facility construction will create about 50 temporary construction jobs, and about three permanent positions will operate the windfarm. This project will contribute to the State's Clean Energy Initiative's goal of 100 percent renewable energy by 2045.

Project Status

The National Renewable Energy Laboratory in Colorado, through a partnership arranged by the County of Hawai'i's Department of Research and Development (R&D), completed its modeling of the energy output potential for the windfarm site. This was done at no cost to DWS or its customers. The DWS and County R&D have been working together closely on every aspect of project development. A short-list of three Offerors prepared proposals for the Third-Party, design-build-own project. DWS awarded Lālāmilo Wind Company LLC the project in April 2013 and executed a Power Purchase Agreement in October 2013. An Environmental Assessment for the project has been completed and accepted by the State of Hawaii Office of Environmental Quality Control (OEQC). The OEQC issued a Finding of No Significant Impact (FONSI). Currently, an Interconnect Agreement with HELCO is being finalized. Groundbreaking for the construction phase of the Windfarm Repowering Project took place in September 2015, with the commercial operation scheduled to occur in the latter half of 2016.

About the Department of Water Supply

The Department of Water Supply is a semi-autonomous agency of the County of Hawai'i which operates by Rules and Regulations adopted by a nine-member, appointed Water Board. The Department operates and maintains its water systems with revenues generated through water service sales. The primary function of the Department is to provide safe drinking water through its 24 water systems and 70 sources throughout the island. The Department strives to provide dependable, high quality, potable water at a reasonable cost. More information is available at <u>www.hawaiidws.org</u>.

Contact

Owen M. Nishioka, P.E. Civil Engineer V, Engineering Division, Hilo <u>onishioka@hawaiidws.org</u> (808) 961-8070