

**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

Office of Conservation and Coastal Lands

Honolulu, Hawai'i

October 23, 2015

**Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii**

REGARDING: The Final Environmental Impact Statement (FEIS) Acceptance Determination for the Department of the Army, Schofield Generating Station Project

APPLICANT: U.S. Army Garrison Hawaii & Hawaiian Electric Company

AGENT: Tetra Tech, Inc.

LOCATION: Wahiawā District, Island of Oahu

LANDOWNER: U.S. Department of the Army & State of Hawaii

TMKs: (1) 7-7-001:001 & 002; (1) 7-3-001:001, 002, 006, 009, 011-013, 019, 022 & 024; (1) 7-6-001:001 & 006; (1) 9-4-012:001, 003 & 011

AREA OF USE: 12.8 ac. (US Army), ~2.0 ac. (State of Hawaii)

STATE LAND USE: Urban/Agriculture/Conservation

DESCRIPTION OF PROJECT:

The proposed *Schofield Generating Station Project* (SGSP) site is situated within the boundaries of the Schofield Barracks while the proposed transmission lines will run from the SGSP site across Schofield Barracks, Wheeler Army Airfield, and State lands, to the existing Wahiawā Substation (**Exhibit 1**) parcel which is owned by the Hawaiian Electric Company, Inc. Due to the location of the proposed project site and transmission line corridor, this project will be subject to both Federal regulatory requirements via the National Environmental Policy Act (NEPA) process (for work on U.S. Government owned lands), and State of Hawaii regulatory requirements via the Hawaii Environmental Policy Act (HEPA) process (for the proposed transmission line easement across state lands).

The state is processing this Environmental Impact Statement (EIS) due to the fact that a portion of the proposed transmission line corridor running from the Wahiawā Substation to the SGSP will require a new easement through state lands; for reference none of the proposed SGSP will be built on state lands. In order to obtain the easement the applicant(s) will be required to apply for a land disposition through the Department of Land and Natural Resources – Land Division.

The proposed SGSP site is currently vacant and covered by dense vegetation (**Exhibit 2**); prior to the purchase of the “South Range” (i.e., location of the proposed SGSP) the surrounding region was part of a larger pineapple plantation and associated agricultural uses. The Waikele Stream gulch is situated northeast of the SGSP site and consists of a densely vegetated, shallow ravine (**Exhibit 3**) with little development potential due to the morphology of the area. OCCL staff visited the site and determined that the landscape slopes away from the ravine down to the SGSP site.

In accordance with Army Regulation 210-20, the U.S. Army Garrison – Hawaii (USAG-HI) developed a *Real Property Master Plan Digest* which identified the area of the proposed SGSP, and surrounding site, as “light industrial”.

PROPOSED ACTION:

The proposed action consists of:

- The U.S. Department of the Army’s **lease of 8.13 acres of land located within the Schofield Barracks property** to Hawaiian Electric Company, Inc. for the proposed SGSP;
- The granting by the U.S. Department of the Army of a **2.5 acre interconnection easement on Schofield Barracks and Wheeler Army Airfield to Hawaii Electric Company, Inc.** to construct, operate, and maintain a 50-megawatt (MW) capacity renewable energy power plant to include associated power poles, high tension power lines, and related equipment and facilities;
- The State of Hawaii Department of Land and Natural Resources (DLNR) **granting of a 1.28 acre easement to Hawaiian Electric Company, Inc.** allowing for the construction of a 46 kilovolt (kV) electrical power transmission line between the power plant site and the existing Wahiawā Substation; and
- Hawaiian Electric’s construction, ownership, operation, and maintenance of a 50-MW capacity, biofuel-capable power generation plant and 46 kV sub-transmission line required to connect the SGSP to the existing Hawaiian Electric grid.

OBJECTIVE OF THE PROPOSED ACTION:

The primary purpose for leasing State of Hawaii property (thus the trigger for this Environmental Impact Statement) is the proposed construction of the SGSP. This project will have two (2) objectives: 1) to provide improved energy security to the U.S. Army Garrison – Hawaii (USAG-HI) at *Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia*, and 2) to provide new secure, firm, dispatchable (i.e., able to be switched on/off as needed), flexible, and renewable energy generation to the grid on the Island of Oahu, Hawaii. Similarly, this project works towards the U.S. Army’s additional goal to procure 1 gigawatt (GW) of renewable energy generation on Army-owned real property, or at Army facilities nationwide; this is part of a broader Department of Defense (DOD) goal for renewable energy use.

Hawaii Revised Statutes (HRS) §269-92 (as amended by the 2015 State Legislature) sets the Renewable Portfolio Standards (RPS) targets for the Hawaiian Electric Companies and all other electric utilities in the state. The Hawaiian Electric Companies achieved 18% of net electricity sales from renewable energy in 2014. Because of its ability to use substantial amounts of biofuel in a cost-effective manner, the proposed SGSP would contribute to Hawaiian Electric's ability to continue increasing the proportion of the renewable energy goals of the state.

Additionally, Hawaiian Electric Company (HECO) has several objectives that would be met by the implementing this proposed project, they include:

- Provide 50 megawatts of new, easily dispatchable capacity to support the Oahu grid, which will contribute to Hawaiian Electric's ability to deactivate older, less-efficient generating units;
- Add a fleet of modern, efficient generating units that can use multiple fuels, including biofuel, and facilitate integration of additional renewable resources that will contribute to meeting or exceeding the state *Renewable Portfolio Standard* (RPS);
- Provide a quick-starting, high ramp rate facility to help maintain grid stability and support the increasing penetration of variable and distributed sources of power generation, such as wind and solar, on the Hawaiian Electric grid;
- Have a power generation facility at elevation and away from coastlines, which contributes to continuity of electrical power in the event of a natural disaster;
- Provide reliable backup power to Wheeler Army Airfield to enhance military, National Guard, and civilian disaster response capabilities; and
- Locate a generation facility on a military installation to contribute energy security for Hawaiian Electric customers if there is a man-made threat.

FEIS ACCEPTABILITY EVALUATION:

Pursuant to Hawaii Administrative Rules (HAR) §11-200-23 (b) *A statement (i.e., Environmental Impact Statement) shall be deemed to be an acceptable document by the accepting authority or approving agency only if all of the following criteria are satisfied:*

- 1) *The procedures for assessment, consultation process, review, and the preparation and submission of the statement, have all been completed satisfactorily as specified in this chapter;*
- 2) *The content requirements described in this chapter have been satisfied; and*
- 3) *Comments submitted during the review process have received responses satisfactory to the accepting authority, or approving agency, and have been incorporated in the statement.*

The EIS evaluated a range of potential environmental, cultural, and socio-economic impacts associated with implementing the proposed action and alternatives, including short-term impacts associated with construction and land development. The following categories were discussed, in detail, throughout the EIS: *Cultural and historical resources* (including Native Hawaiian Resources and Uses); *Air quality* (including climate change, and greenhouse gas emissions from all potential sources); *Water resources* (including floodplain, wetlands, and stormwater management); *Local geology/morphology* of the site, including soils; *Land use* (in the framework of State, Federal and County zoning attributes); *Biological resources* (including threatened and endangered species, special status species, and related sensitive floral and faunal resources); *Traffic, transportation, airspace management*; *Public health and safety*; *Noise*; *Hazardous materials and waste management*; *Visual and scenic resources* (viewplane impacts); *Socioeconomics*; *Environmental justice* (focus: disproportionately high and adverse impacts to minority and low-income populations); *Protection of children* (from environmental health risks and safety hazards); and *Utilities and infrastructure*. A thorough review of the FEIS by staff concludes that the applicant addressed these issues in detail, and has discussed relevant impacts and associated effects to the environment.

Solicitation of comments during the EISPN, and DEIS process occurred via publication via OEQC, two (2) public hearings (*May 20 & May 21, 2015*), and various notifications and community outreach programs conducted by the applicants. Staff review of the FEIS found that all relevant comments on the proposed action received during the review process for the DEIS were addressed by the applicant and are included as Appendix A-4 in the FEIS.

- The Environmental Impact Statement Preparation Notice (EISPN) was published in the Office of Environmental Quality Control (OEQC) publication the Environmental Notice on *December 23, 2014*;
- Notice of the Draft Environmental Impact Statement (DEIS) was published in the *May 8, 2015* issue of OEQC publication the Environmental Notice; and
- **The Public Utilities Commission (PUC) approved on *May 16, 2014*, with certain conditions and modifications, the application filed by *Hawaii Electric Company, Inc.* for the purchase and installation of the Schofield Generating Station Project, Docket No. 2014-0113, and Order No. 33178.**

STAFF DISCUSSION:

The proposed action is the only alternative that satisfies the purpose and need, all adverse effects would be less than significant, and the project would result in substantial beneficial effects of increased energy security, gridwide stability, and renewable resource energy generation that would benefit the Army, Hawaiian Electric, and the citizens of Oahu.

Alternatives to the proposed action include:

- No Action Alternative – *The lease, easement are not granted, the construction of the SGSP is not pursued*;
- Purchase of Renewable Energy Credits – *Could include transport of energy from great distances, thus negating the security aspect of this project*;

- Army Constructs, Owns, and Operates “on-post” Renewable Energy Generating Facility – *Will remain dormant until needed by military, no benefit to Hawaii;*
- Hawaiian Electric Constructs Owns, and Operates Renewable Energy Facility – *Will require major land purchase by HECO, will not serve the same objective of energy security;*
- Construct SGSP on another US Army owned lands – *no suitable sites were found;* and
- Construct and operate a power generation facility using another type of renewable energy technology – *Did not satisfy the purpose and need for the proposed action.*

The applicants (USAG-HI and Hawaiian Electric) believe that the project should be implemented after successfully completing the NEPA and HEPA processes, completing all necessary agency consultations, and obtaining all necessary permits for construction and use. A copy of the complete Final Environmental Impact Statement (FEIS) can be found at:

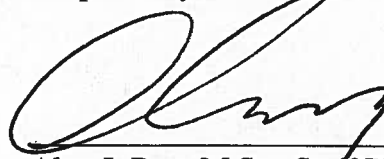
<http://dlnr.hawaii.gov/occl/other-projects-2/>

In addition, an electronic copy (i.e., CDR) of the FEIS was provided to the Board. If you wish to obtain a hard copy of the document, please contact Alex J. Roy of our Office of Conservation and Coastal Lands staff at 808-587-0377.

STAFF RECOMMENDATION:

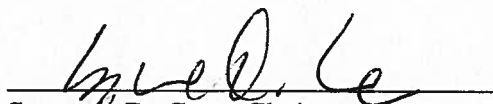
Based on the preceding report, staff recommends that the Board of Land and Natural Resources **ACCEPT** this FEIS for the Schofield Generating Station Project located in the Wahiawā District, Island of O’ahu, on Tax Map Keys: (1) 7-7-001:001 & 002; (1) 7-3-001:001, 002, 006, 009, 011-013, 019, 022 & 024; (1) 7-6-001:001 & 006; (1) 9-4-012:001, 003 & 011.

Respectfully submitted,

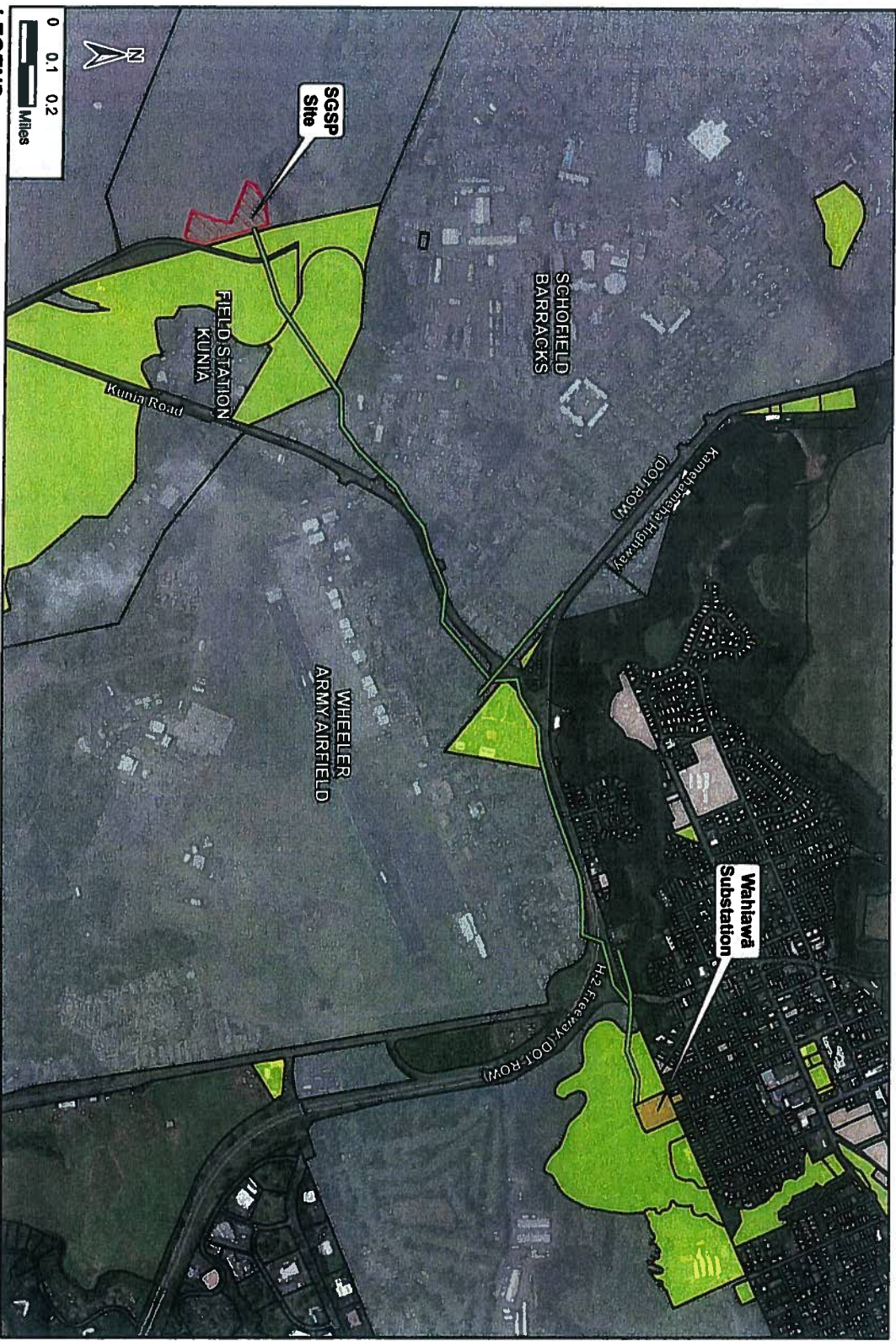


Alex J. Roy, M.Sc., Staff Planner
Office of Conservation and Coastal Lands

Approved for submittal:



Suzanne D. Case, Chairperson
Board of Land and Natural Resources



Land Ownership in the Project Area

Source: Schofield Barracks GIS 2014, ESRI 2011.

EXHIBIT 2

SASP FEIS REVIEW

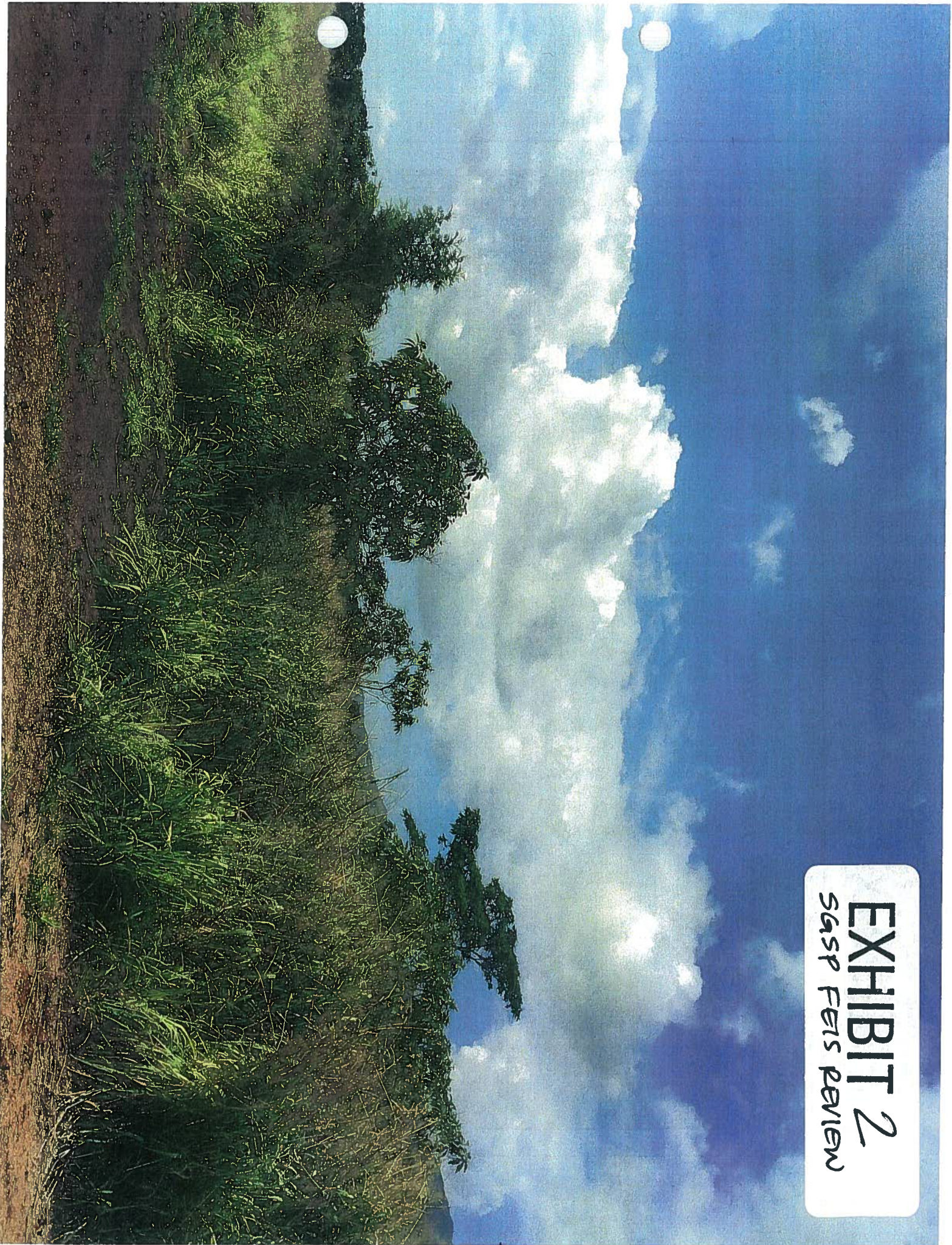


EXHIBIT 3

S&SP FEIS REVIEW

