



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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May 6, 2026

State of Hawai'i, Land Use Commission
3-5920 Kūhiō Highway,
Hilton Garden Inn, Kūhiō Ballroom
Kapa'a, HI 96746
Via email: dbedt.luc.web@hawaii.gov



**Subject: May 13, 2026 Land Use Commission Meeting
Agenda Item 2: SP26-416 Kaawanui Solar, LLC (Kaua'i)
CLASS IV ZONING PERMIT (Z-IV-2026-12), USE PERMIT (U-2026-9)
and SPECIAL PERMIT (SP-2026-4); Kaawanui Solar Project**

Dear State of Hawai'i Land Use Commission,

The Hawai'i State Energy Office (HSEO) is pleased to submit comments in support of the proposed Kaawanui Solar Project (Project), a 42-megawatt solar photovoltaic project paired with a 172-megawatt-hour lithium-ion battery energy storage system located in the Makaweli ahupua'a, Kona Moku, on the southwest side of Kaua'i Island.

HSEO's comments are guided by its statutory purpose under Chapter 196-71, Hawai'i Revised Statutes, to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean economy for Hawai'i. HSEO believes the Project offers economic, environmental, and electric grid benefits to the people and businesses of Kaua'i. Furthermore, the Project is under the purview of the Committing to Reliable Energy and Decarbonization Innovations on Time (CREDIT) Task Force established by Governor Green per Executive Order 25-10.¹ Projects under the CREDIT Task Force purview are recognized as critical to the State's energy goals and warrant intergovernmental coordination of their respective review processes.

The Project owner, AES Hawai'i, serves as an independent power producer and would sell electricity from the Project to the Kaua'i Island Utility Cooperative (KIUC) under a 25-year power purchase agreement (PPA). Importantly, the Project is an opportunity to further reduce and stabilize electricity costs on Kaua'i, with pricing at \$0.15239 per kilowatt-hour (kWh).² The PPA was approved by the Hawai'i Public Utilities Commission (PUC) on March 2, 2026.³ KIUC

¹ Executive Order 25-10, [2511019.pdf](#)

² Kaawanui Solar Power Purchase Agreement, Docket number [2025-0198](#)

³ The PPA price may be adjusted higher or lower in specific situations related to federal tax credits and/or adjustments due to tariffs. Hawai'i PUC [Decision & Order 42373](#), p. 9.

estimates the Project would result in estimated savings for an average residential customer of \$4.26 the first year of operation and \$21.08 the 25th year of the PPA term.⁴ The dynamic link between energy costs and renewable energy development is clearly demonstrated on Kaua‘i, which formerly had the highest energy costs in the State.

Through the timely adoption of renewable energy, KIUC has successfully lowered and stabilized electricity costs for Kaua‘i ratepayers. As a result, since 2021, Kaua‘i has consistently maintained the lowest electricity rates in Hawai‘i and has been less exposed to rate volatility driven by oil price spikes.⁵ These rates reflect the island’s increased implementation of fixed-price, long-term PPAs for renewable energy projects, such as Kaawanui, which allow for reduced exposure to volatile fossil fuel markets. Maintaining a low cost per kWh for the Project is contingent on adhering to tight development timelines, which are necessary to maintain access to federal tax credits that are incorporated into the PPA and critical to overall cost reduction. Therefore, timely approvals are important to keep the Project on schedule and realize these cost-saving benefits.

As Kaua‘i continues to work toward the State’s statutory mandate of a 100% renewable electricity generation by 2045, it must replace its existing fossil generation with new renewable capacity. Furthermore, Executive Order 25-01 requires an accelerated deadline to achieve 100% renewable electricity. The Project, which is estimated to meet 17.5% of Kaua‘i’s energy needs and divert over seven million gallons of fossil fuel annually. Kaawanui is estimated to displace 2,305,053 metric tons of carbon dioxide equivalent in greenhouse gas emissions over its 25-year PPA term. This reduction is equivalent to removing roughly 500,000 cars from the road for 1 year or planting 38 million tree seedlings and allowing them to grow for ten years.^{6,7}

Finally, AES Hawai‘i has demonstrated its ability to develop solar projects on Kaua‘i, having successfully brought online both the Lāwa‘i and Kekaha solar and storage facilities.

Thank you for the opportunity to comment in support of this Project. If you have any questions, please contact Monique Zanfes at monique.m.zanfes@hawaii.gov.

Sincerely,



Mark B. Glick
Chief Energy Officer

⁴ Hawai‘i PUC [Decision and Order 42373](#), p. 15.

⁵ Public Utilities Commission [FY 2025 Annual Report](#)

⁶ Letter to PUC Submitting Kaawanui GHG Analysis, Docket [2025-0198](#)

⁷ EPA [Greenhouse Gas Equivalency Calculator](#)