



**STATE OF HAWAII  
OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

MARY ALICE EVANS  
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawai'i 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

Telephone: (808) 587-2846  
Fax: (808) 587-2824  
Web: <https://planning.hawaii.gov/>

Coastal Zone  
Management  
Program

DTS202605051009SE

Environmental Review  
Program

May 11, 2026

Land Use Commission

TO: Daniel Orodener, Executive Officer  
Land Use Commission

Land Use Division

FROM: Mary Alice Evans, Director *Mary Alice Evans*  
Office of Planning and Sustainable Development

Special Plans Branch

State Transit-Oriented  
Development

SUBJECT: SP26-416  
Applicant: Kaawanui Solar, LLC.  
Request: To Establish a New Solar Energy Facility  
Tax Map Key: (4) 1-7-006:006 (por.) and 010 (por.)  
Makaweli, Waimea, Kauai

Statewide Geographic  
Information System

Statewide  
Sustainability Branch



The Kauai Planning Commission (KPC) has approved Kaawanui Solar, LLC's (Applicant) application for a county Use Permit and a county Class IV Zoning Permit and recommends State Land Use Commission (LUC) approval of a State Special Permit to develop a solar energy facility and accessory uses and structures (Project) on approximately 269.195 acres (Project Site) in the State Land Use Agricultural District. The Office of Planning and Sustainable Development (OPSD) supports the Applicant's Application for a State Special Permit 26-416 (Application) and recommends that the LUC accept the KPC's recommendation.

**I. Applicant and the Proposed Project**

The Applicant is an affiliate of AES Clean Energy Development Company, LLC (AES), which is a subsidiary of The AES Corporation. The AES Corporation is an international power company with a long history of development and operation of solar power electrical facilities, battery energy storage systems, and other renewable and conventional power generation facilities.

The proposed Project will consist of:

- A 52-megawatt direct current/43 megawatt alternating current solar photovoltaic (PV) system with solar panels and racking system;
- A 172-megawatt-hour Battery Energy Storage System (BESS);
- Electrical connector lines;

Mr. Daniel Orodener  
May 11, 2026  
Page 2

- Communication equipment;
- An operation and maintenance shed;
- An AES Hawaii Substation;
- A Kaawanui Substation and interconnection lines;
- Perimeter security fencing and access roads.

The Kaawanui Substation and interconnection lines will be transferred to the Kauai Island Utility Cooperative (KIUC), a not-for-profit organization and sole provider of electrical power to the island. The Kaawanui Substation will be connected to KIUC's main grid and distribute electrical power to West Kauai.

The Applicant and KIUC have entered into a Power Purchase Agreement (PPA) which requires approval by the Hawaii Public Utilities Commission (PUC). According to the PPA, KIUC will purchase electrical power generated by the Project for a minimum of 25 years. The Project is expected to generate enough clean energy to power nearly 16,000 homes.

The goal of the State's Clean Energy Initiative is to achieve 100% of its electrical needs from renewable sources by 2045. In 2024, over 50.6% of KIUC's energy generation was from renewable sources. The Project is expected to provide approximately 17.5% of KIUC's total electric generation, significantly enhancing Kauai's attainment of the State goal. In addition to enabling KIUC to provide lower-cost electricity to Kauai Island residents, the Project is anticipated to reduce KIUC's fossil fuel usage by over 179 million gallons over the 25-year PPA term. Also, the Project will allow KIUC to utilize stored solar energy from the BESS at any time, thus helping to stabilize KIUC's electrical grid during hours of peak demand.

## **II. Project Site and Surrounding Lands**

The Project Site consists of approximately 269.195 acres spanning a portion of two adjacent parcels, Tax Map Key Nos. (4) 1-7-006:006 (Parcel 6) and (4) 1-7-006:010 (Parcel 10). Both Parcels are owned by Robinson Family Partners (RFP) and managed by Gay & Robinson, Inc. (G&R).

RFP and the Applicant have an Option Agreement giving the Applicant the right to enter into a Grant of Easement Agreement (Project GOE) covering the Project Site. The Project GOE will allow the Applicant to use portions of the Project Site other than the common roads on an exclusive basis to develop and operate the Project and the common roads within the Project Site on a non-exclusive basis for access and utility purposes. The Project GOE gives the Applicant a construction term of 3 years with the possibility of 2 extensions of 6 months each to construct the Project and an initial operating term of 25 years and 3 extensions of 5 years each. The total term of the Project GOE is 44 years. The Applicant will exercise the Option upon approval of the PPA by the PUC and upon approval of all necessary discretionary and ministerial permits.

The Project Site is suited for solar energy development due to its relative flat terrain, easy accessibility, high solar irradiance, and proximity to the existing KIUC grid infrastructure. The main access to the Project Site will be from Kaawanui Road off the nearby Kaumualii Highway, a State road.

The Project Site is in the State Agricultural District, designated Agriculture in the Kauai General Plan, and 92% of the Site is zoned Agriculture under the county zoning with the remainder zoned Open. The Project Site is designated as Agriculture on the West Kauai Community Plan Regional Map.

The Project Site has historically been used for sugar cane production and livestock pasture. Current use is for grazing cattle, sheep, and water buffalo in fenced pens and fallow agricultural fields. Approximately 98% of the Project Area contains soils rated “B” under the Land Study Bureau’s (LSB) soil productivity system.

Hawaii Revised Statutes (HRS) § 205-4.5(a)(21) requires solar energy facilities on LSB “B”-rated lands to make the area occupied by the solar project also available for compatible agricultural use at a lease rate of at least 50% below the fair market rate. The Applicant’s Compatible Agriculture Plan (CAP) proposes to make the Project Site available for sheep grazing, poultry production, and eventually crop production. The Applicant will not charge rent for the compatible agricultural use of the Project Site and has designated an agricultural operator to implement the CAP. HRS § 205-4.5(a)(21) also requires the Applicant to restore the Project Site to substantially its original condition upon the decommissioning of the Project. This will also be required by the Project GOE.

Surrounding uses include Kaumualii Highway and Pakala Village to the southwest and Kaawainui Village to the northwest. The mauka areas surrounding the Project Site are former sugar plantation lands currently used for grazing or left in open pasture.

### **III. Potential Impacts**

#### **A. Archaeological and Cultural Resources**

A series of archaeological studies of the Project Area were conducted in 2025, including a Reconnaissance Level Survey (RLS), Archaeological Literature Review and Field Inspection and an Archaeological Inventory Survey (AIS). The RLS identified 14 architectural resources, 7 of which were built in 1977 or later and are not considered historic properties pursuant to HRS § 6E-2. The remaining 7 are older than 50 years old and their significance was assessed. The RLS determined that none of the 14 resources met the Hawaii Administrative Rules (HAR) §13-284-6 significance and integrity criteria or are eligible for listing on the Hawaii Register of Historic Places. The AIS identified 2 previously documented historic properties and 5 newly documented historic properties.

The 6 sites were assessed as significant under the HAR §13-284-6 significance criteria. The AIS documented the location, extent, function, age, and construction methods of the six historic properties in the Project Site, mitigating Project-related impacts. The AIS did not recommend further archaeological work, including archaeological monitoring.

On March 6, 2026, the State Historic Preservation Division (SHPD) issued a letter concurring with the RLS's determinations, and based on the RLS and the draft AIS, making a determination of "No historic properties affected" for the Project pending SHPD approval of the final revisions to the AIS.

A Cultural Impact Assessment (CIA) was conducted of the entire ahupuaa of Makaweli and a Ka Paakai Analysis for the Project Site in September 2025. The CIA reviewed the single previous cultural study of the area in the vicinity of the Project Site, and conducted interviews of individuals from the communities of Makaweli, Waimea, and Hanapepe to discuss traditional customs and practices which occurred in the area neighboring the Project Site. The CIA solicited comments from Native Hawaiian organizations, agencies, and community members, including descendants of Makaweli; community outreach letters were sent to 48 individuals or groups, 6 responded, one provided written testimony and 3 agreed to be interviewed. No traditional cultural practices were identified within the Project Site during the consultations. Consequently, the Ka Paakai Analysis found that the Project will not affect valued cultural, historical, or natural resources in the Project Site, including traditional and customary Native Hawaiian rights.

#### B. Biological Survey

A Natural Resources Assessment (NRA) for the Project Site was conducted in March 2025. Flora surveys found no protected plants species. The avian field survey identified only one protected species, the Hawaiian Duck, but no suitable nesting habitats exist in the Project Site area for any endemic waterbirds. Eight species protected under the federal Migratory Bird Treaty Act were observed. No seabirds were recorded, but at least 2 species, the Hawaiian Petrel and Newell's Shearwater overfly the Project Site during the breeding season. It is also possible that the endangered Hawaiian hoary bat uses resources in the Project Site area although none were detected during field surveys. The Applicant will take appropriate mitigation measures such as avoiding night-time construction, fully shielding outdoor lighting, and avoiding woody vegetation clearing taller than 15 feet during the bat pupping season.

#### C. Wetlands, Streams, and Coastal Resources

There are no wetlands or streams on the Project Site. The Site is in Flood Zone X, and not in the Special Management Area.

#### D. Infrastructure and Government Services

There is no stormwater drainage infrastructure within the Project Site. The Applicant will install stormwater retention features within the Project Site, and stormwater Best Management Practices (BMPs) will be incorporated during construction and operation. Potable and non-potable water for the Project will be provided by G&R for compatible agricultural activities, landscaping, and facility use during construction and operation. Electricity and telecommunications services will be provided within the Project Site. Wastewater generated by the Operations and Maintenance shed will be handled either through a septic tank or serviced by specialized sanitation crews who manage waste and water tanks. County fire and police services are available to the Project.

#### E. Transportation

A Traffic Impact Analysis Report (TIAR) was conducted in April 2025 to assess potential traffic impact generated by the construction and operation of the Project. No significant intersection impacts were identified during the construction or operational phases of the Project. However, the Applicant will implement traffic mitigation measures such as onsite parking, off-peak deliveries, staggered arrivals and departures, and will implement a Traffic Management Plan.

The Project Site is approximately 3.7 miles from Port Allen Airport, a State facility. However, the Applicant does not anticipate the Project will create any wildlife attractants that might create hazards to aircraft. A glare hazard analysis was completed in September 2025. The analysis examined that the potential for glint and glare from the Project's PV solar panels and no glare was predicted for Port Allen Airport.

### IV. **OPSD Comment**

OPSD has the following comments:

1. Finding No. 56 of the KPC Decision & Order (D&O) (pg. 14) states that the Applicant and the KIUC are awaiting PUC approval of the PPA. The LUC should update the record to note that the PUC issued its Decision and Order approved the PPA on March 2, 2026.
2. Finding No. 73 of the KPC D&O (pg. 18) states that the Special Permit includes the Project improvements, including the new AES Hawaii Substation, but not the Kaawanui Substation that is already permitted in the Agricultural District pursuant to HRS § 205-4.5(a)(7). However, Finding No. 103 of the KPC D&O (pg. 28) states

that both the AES Hawaii Substation and the Kaawanui Substation are permitted uses pursuant to HRS § 205-4.5(a)(7). The Applicant should clarify whether the AES Hawaii Substation is required to be covered by the Special Permit or is already a permitted use in the Agricultural District.

3. Finding No. 94 of the KPC D&O (pg. 23) notes the existence of two former highway remnants surrounded by the land owned by RFP. A portion of one of the remnants, Old Government Road A (Road A Section) is located between Parcel 6 and Parcel 10, and RFP has agreed to buy, and the Hawaii Department of Transportation has agreed to sell the remnants to RFP. The Applicant will be given a non-exclusive easement for access and utility purposes over Road A Section. The Applicant should confirm the status of the sale.
4. Condition No. 8 of the KPC D&O (pg. 65) provides that the Applicant shall begin commercial operations of the Project within 4 years of the date of the LUC Decision and Order approving the Special Permit and that the Special Permit shall be valid for a period of 35 years from the start of commercial operations of the Project, subject to further extensions upon a timely request filed with the KPC. Finally, Condition 8 states: "Approval of the extensions shall not be required from the LUC." Should the LUC agree to relinquish its authority to approve extensions to the Special Permit, OPSD recommends that a requirement be added that, in the event of the KPC approving an extension, the KPC will notify the LUC of its action.
5. Condition No. 9 of the KPC D&O (pg. 65) addresses the "State of Hawaii Office of Planning." The LUC should update the record to address the "State of Hawaii Office of Planning and Sustainable Development."
6. Other than the issues above, OPSD finds that the proposed solar energy facility and accessory uses and structures is consistent with the guidelines for determining if it may be permitted in the State Agricultural District as an "unusual and reasonable use" pursuant to Hawaii Administrative Rules (HAR) § 15-15-95(c):

*(1) The use shall not be contrary to the objectives sought to be accomplished by chapters 205 and 205A, HRS, and the rules of the commission;*

The original intent of HRS Chapter 205 is "to preserve, protect, and encourage the development of the lands in the State for those uses to which they are best suited for the public welfare." (Act 187, SLH 1961) Consequently, the protection of agricultural land and its continued availability for agricultural use as a major objective of Chapter 205 should be balanced against other unusual uses that serve the public interest. The Project is expected to lower electricity costs to over 16,000 homes annually and provide approximately 17.5% of KIUC's total electric

generation, enhancing the achievement of the State's goal of 100% renewable energy by 2045. At the same time, the land will continue to be available for compatible agricultural uses at no cost to users, and the land will be restored to its current condition upon the decommissioning of the solar energy facility. Consequently, OPSD finds that the need to provide a new source of renewable energy to meet Kauai Island's needs outweighs the potential decrease in agricultural production until solar energy operations cease and the land is restored for agricultural use.

The Project is also not contrary to the objectives and policies of HRS Chapter 205A as the Project Site is outside of the Special Management Area, not within a flood hazard zone, and the Applicant will implement drainage improvements and BMPs to ensure that stormwater runoff is contained onsite and does not impact downstream properties.

*(2) The proposed use would not adversely affect surrounding property;*

Surrounding properties are mostly owned by RFP. Proposed drainage improvements and other BMPs will prevent adverse impacts from stormwater runoff to neighboring agricultural uses. Other BMPs will minimize adverse impacts on air quality and noise. Consequently, there would be no adverse impacts to surrounding properties.

*(3) The proposed use would not unreasonably burden public agencies to provide roads and streets, sewers, water drainage and school improvements, and police and fire protection;*

The Project will not require county water or wastewater service, nor will it expand the service area for police or fire protection. Stormwater retention measures will contain stormwater runoff. Since the Project will require limited operating and maintenance personnel, no adverse traffic impacts are expected. The Project will not create wildlife hazard attractants or create glint and glare hazards that might impact the nearby Port Allen Airport. OPSD notes that the Hawaii State Energy Office has expressed its support for the Project.

*(4) Unusual conditions, trends, and needs have arisen since the district boundaries and rules were established; and*

Hawaii and the world's dependency on fossilized fuels have created disastrous climatic and economic consequences. Climate change, and resulting sea level rise, has been linked to the continued release of Greenhouse Gases (GHG) into the atmosphere. Hawaii is the most petroleum-dependent state in the United States,

and due to this dependency, Hawaii has the highest average electricity prices in the country. The Project will significantly reduce electricity costs for over 16,000 homes annually and reduce KIUC's fossil fuel usage by over 179 million gallons over the 25-year PPA term. A GHG Analysis was conducted to quantify the positive impact the Project would have on the State's GHG emissions. The Analysis estimated that the net lifecycle GHG emissions reduction resulting from the Project to be approximately 3,258,000 metric tons of CO<sub>2</sub> equivalent.

*(5) The land upon which the proposed use is sought is unsuited for the uses permitted within the district.*

The proposed Project Site is situated primarily on land rated "B" under the LSB soil classification system and is currently in active agricultural use for grazing—the proposed site is clearly suited for the agricultural uses permitted within the State Agricultural District. However, there are other factors to be considered:

- Compatible agricultural uses will be encouraged within the Project Site without charge. OPSD notes that the Hawaii Department of Agriculture and Biosecurity (DAB) has assessed the feasibility of the Project's CAP and has concluded that DAB "is optimistic that 'compatible agricultural activity' will occur" within the Project Site "and the agricultural products raised and grown there will be available to Hawaii's markets and food service businesses."
- The Applicant is required to restore the land to its original condition for future agricultural use once the solar energy facility is decommissioned.
- While the Project Site is well suited for agricultural use, it is also particularly well suited for solar energy use, given the relative flat terrain, high solar irradiance, and proximity to the existing KIUC grid infrastructure.
- The Project will significantly lower electricity costs for Kauai residents, reduce KIUC's use of fossil fuels, reduce GHG emissions, and enhance Kauai's achievement of the State's renewable energy goal.

Given these considerations, OPSD finds that the benefit of the Project outweighs the temporary cost of limiting the agricultural use.

## **V. Recommendation**

Based on the analysis above, OPSD finds that the proposed Project is an "unusual and reasonable use" permitted in the State Agricultural District under HAR §15-15-95(c) and recommends that the LUC accept the KPC's recommendation to approve the Application for SP26-416.

Mr. Daniel Orodener

May 11, 2026

Page 9

Thank you for the opportunity to comment on the special permit application. If you have any questions, please contact Aaron Setogawa, [aaron.h.setogawa@hawaii.gov](mailto:aaron.h.setogawa@hawaii.gov), (808) 587-2883. If you wish to respond to this comment letter, please include DTS202605051009SE in the subject line.