Appendix A-2

Scoping Comments

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NOI COMMENTS

PUBLIC SCOPING MEETING

FOR THE

PROPOSED SCHOFIELD GENERATING STATION PROJECT

ENVIRONMENTAL IMPACT STATEMENT

Thursday, February 6, 2014

Wahiawa District Park Recreation Center

1129 Kilani Avenue

Wahiawa, Hawaii 96786

7:00 - 9:30 p.m.

REPORTER'S TRANSCRIPT

OF PUBLIC COMMENTS

BEFORE: ELSIE TERADA, CSR NO. 437

Certified Shorthand Reporter

WALTER BENAVITZ: On behalf of the Wahiawa Community and Business Association, the WCBA, and myself and with my background, we support and I support the Schofield Generating Station Project for all the reasons stated in the Project Fact Sheet that was provided to us. We support the military's wisdom and their experience with Wahiawa Community and protecting the environment, protecting the ohana. This project is going to help Wahiawa and it will help Hawaii. So, again, on behalf of the WCBA, we support, we officially support this project.

-oOo-

C E R T I F I C A T E

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

I, Elsie Terada, Certified Shorthand Reporter, Certificate No. 437, for the State of Hawaii, hereby certify:

The foregoing transcript is a true and correct copy of the original transcript of the proceedings taken before me as therein stated.

Dated this 28th day of February, 2014, in Honolulu, Hawaii.

_____

ELSIE TERADA, CSR NO. 437

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

February 27, 2014

Mr. Doug Waters
Army Energy Initiatives Task Force – 8th Floor
Department of the Army
2530 Crystal Drive
Arlington, VA 22202

Ms. Melissa DeSantis
Tetra Tech, Inc.
ATTN: SGSP EIS
10306 Eaton Place, Suite 340
Fairfax, VA 22030

Subject: Notice of Intent to Prepare a Joint Environmental Impact Statement for the Lease of Army Land at Schofield Barracks, Oahu, Hawaii for the Construction and Operation of a Biofuel-Capable Power Generation Plant

Dear Mr. Waters and Ms. DeSantis:

The U.S. Environmental Protection Agency has reviewed the Notice of Intent to Prepare a Joint Environmental Impact Statement for the lease of Army land at Schofield Barracks for the Construction and Operation of a Biofuel-Capable Power Generation Plant, Oahu, Hawaii. Our comments are provided pursuant to the National Environmental Policy Act, Council on Environmental Quality regulations (40 CFR Parts 1500-1508) and our NEPA review authority under Section 309 of the Clean Air Act.

To assist in the scoping process for this project, we have identified several issues for your attention in the preparation of the Joint EIS. We appreciate the opportunity to review this NOI and are available to discuss our comments. Please send one hard copy of the Draft EIS and one CD ROM copy to this office at the same time it is officially filed with our Washington D.C. Office. If you have any questions, please contact me at (415) 972-3545.

Sincerely,

Ann McPherson
Environmental Review Section, ENF-4-2

Enclosure: EPA's Detailed Comments

US EPA DETAILED COMMENTS ON THE NOTICE OF INTENT TO PREPARE A JOINT ENVIRONMENTAL IMPACT STATEMENT FOR THE LEASE OF ARMY LAND AT SCHOFIELD BARRACKS FOR THE CONSTRUCTION AND OPERATION OF A BIOFUEL-CAPABLE POWER GENERATION PLANT, OAHU, HAWAII, FEBRUARY 27, 2014

Project Description

The U.S. Department of the Army intends to prepare a Joint Environmental Impact Statement for the lease of Army land at Schofield Barracks for the construction and operations of a 50-megawatt biofuel-capable power generation plant. The proposed Schofield Generating Station Project (SGSP) will be a source of renewable power that would provide energy security service to Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia in the event that service is loss from normal sources supporting these facilities. In addition, the SGSP would provide Hawaiian Electric Company with a quick-starting facility to help maintain grid stability that would be located in a secure location at a higher elevation and away from coastlines. The SGSP would operate on a mix of biofuel and diesel and be able to run on a combination of fuels, as necessary. The proposed action will include the lease of 10.3 acres of land and the granting of a 2.5 acre interconnection easement for the 46-kilovolt subtransmission line.

Purpose and Need

The Draft Environmental Impact Statement should include a clear description of the project purpose and need, including why the Army is undertaking the proposed action and what objectives are intended to be met (40 CFR 1502.13). The purpose and need statement should clearly define the scope of proposed actions that the DEIS will describe and assess for environmental effects.

> *Recommendation:*
> The purpose and need should be a clear, objective statement of the rationale for the proposed project. The DEIS should discuss the proposed project in the context of the larger energy market that this project would serve and discuss how the project will assist the state and the Army in meeting their renewable energy portfolio standards and goals.

Alternatives Analysis

The National Environmental Policy Act requires evaluation of reasonable alternatives, including those that may not be within the jurisdiction of the lead agency (40 CFR Section 1502.14(c)). A robust range of alternatives will include options for avoiding significant environmental impacts. The DEIS should provide a clear discussion of the reasons for the elimination of alternatives which were not evaluated in detail. Reasonable alternatives should include, but are not necessarily limited to, alternative sites, capacities, and technologies. The alternatives analysis should describe the approach used to identify environmentally sensitive areas and the process that was used to designate them in terms of sensitivity.

The environmental impacts of the proposal and alternatives should be presented in comparative form, thus sharply defining the issues and providing a clear basis for choice among options by the decision maker and the public (40 CFR 1502.14). The potential environmental impacts of each alternative should be quantified to the greatest extent possible (e.g., acres of wetlands impacted, tons per year of emissions produced).

The U. S. Environmental Protection Agency strongly encourages the Army and other interested parties to pursue the siting of renewable energy projects on disturbed, degraded, and contaminated sites, including permanently fallow or abandoned agricultural lands.

Recommendations:
The DEIS should describe how each alternative was developed, how it addresses each project objective, and how it will be implemented.

The alternatives analysis should include a discussion of potential sites, capacities, and generating technologies and describe the benefits associated with the proposed technology.

The DEIS should identify the type, source, and quantity of biofuel that will be utilized in the SGSP.

The DEIS should describe the potential direct, indirect and cumulative impacts of the alternatives on all environmental resources in the project area.

The DEIS should clearly describe the rationale used to determine whether impacts of an alternative are significant or not. Thresholds of significance should be determined by considering the context and intensity of an action and its effects (40 CFR 1508.27).

The DEIS should provide a clear discussion of the reasons for the elimination of alternatives which were not evaluated in detail.

The DEIS should describe the current condition of the land selected for the proposed project, discuss whether the land is classified as disturbed, and describe to what extent that land could be used for other purposes, including agricultural use, into the future.

Air Quality

The DEIS should provide a detailed discussion of ambient air conditions (baseline or existing conditions), National Ambient Air Quality Standards, criteria pollutant nonattainment areas, and potential air quality impacts of the project for each fully evaluated alternative. A description of current and proposed activities and their impacts on air quality, including indirect and cumulative impacts, should be included. The DEIS should provide the estimated air emissions (tons per year) from the proposed project for criteria pollutants, including emissions from all construction, operation, and maintenance activities and vehicle traffic. Such an evaluation is necessary to assure compliance with State and Federal air quality regulations, and to disclose the potential impacts from temporary or cumulative degradation of air quality.

Recommendations:
The DEIS should provide a detailed discussion of ambient air conditions, NAAQS, and criteria pollutant nonattainment areas in the vicinity of the project.

The DEIS should estimate emissions of criteria pollutants from the proposed project and discuss the timeframe for release of these emissions over the lifespan of the project. The DEIS should describe and estimate emissions from potential construction activities, as well as proposed mitigation measures to minimize these emissions.

The DEIS should specify emission sources by pollutant from mobile sources, stationary sources, and ground disturbance. This source specific information should be used to identify appropriate mitigation measures and areas in need of the greatest attention.

Below are specific recommendations on New Source Review, Title V Operating Permits, and Construction Emissions.

New Source Review (NSR) Construction Permit Program

New major stationary sources of air pollution and major modifications to sources are required by the Clean Air Act to obtain an air pollution permit before commencing construction. This process is called New Source Review and is required whether the major source or modification is planned for an area where the NAAQS are exceeded (nonattainment areas) or an area where air quality is acceptable (attainment and unclassifiable areas).

Permits for sources in attainment areas are referred to as Prevention of Significant Deterioration air quality permits, while permits for sources located in nonattainment areas are referred to as nonattainment permits. The entire program, including both PSD and NAA permit reviews, is referred to as the NSR program and is established in Parts C and D of Title I of the CAA. Based upon an area's attainment/nonattainment designations and a proposed project's anticipated criteria pollutant emission rates, a project may require both a PSD and NAA permit.

Recommendation:
The DEIS should discuss if NSR program permits will be required for the biofuel-capable power generation plant proposed for construction in the leased areas. The DEIS should describe the permitting process and the information that must be addressed in the permits.

Title V Operating Permit

Title V of the CAA requires all new major sources and some minor sources of air pollution to apply for an operating permit within 12 months of commencing operation. When granted, the permit includes all air pollution requirements that apply to the source, including emissions limits and monitoring, record keeping, and reporting requirements. It also requires that the source report its compliance status with respect to permit conditions to the agency that issued the permit, and if the permit is issued by a state or local agency, reports should also be submitted to the EPA.

Recommendation:
The DEIS should indicate if Title V operating permits will be required for the biofuel-capable power plant proposed to be constructed in the leased areas. If so, it should describe which agency will issue the operating permit and should describe the permitting process, including opportunities for public involvement.

Construction Emissions Mitigation

The DEIS should describe and estimate air emissions from potential construction and maintenance activities, as well as proposed mitigation measures to minimize those emissions. The EPA recommends an evaluation of the following measures to reduce emissions of criteria air pollutants and hazardous air pollutants (air toxics).

Recommendations:

- *Specify Emission Sources* – The DEIS should specify the emission sources by pollutant from mobile sources, stationary sources, and ground disturbance. This source specific information should be used to identify appropriate mitigation measures and areas in need of the greatest attention.

- *Construction Emissions Mitigation Plan* – The DEIS should include a Construction Emissions Mitigation Plan. In addition to all applicable local, state, or federal requirements, the EPA recommends that the following mitigation measures be included in the Construction Emissions Mitigation Plan in order to reduce impacts associated with emissions of particulate matter and other toxics from construction-related activities:

  - *Fugitive Dust Source Controls:* The DEIS should identify the need for a Fugitive Dust Control Plan and how that plan will comply with Hawaii requirements for control of fugitive dust emissions. We recommend that the plan include these general commitments:
    - Stabilize heavily used unpaved construction roads with a non-toxic soil stabilizer or soil weighting agent that will not result in loss of vegetation, or increase other environmental impacts.
    - During grading use water, as necessary, on disturbed areas in construction sites to control visible plumes.
    - Limit speeds to 25 miles per hour on stabilized unpaved roads as long as such speeds do not create visible dust emissions. Limit speeds to 10 miles per hour or less on unpaved areas within construction sites on unstabilized (and unpaved) roads. Post visible speed limit signs at construction site entrances.
    - Inspect and wash construction equipment vehicle tires, as necessary, so they are free of dirt before entering paved roadways, if applicable.
    - Provide gravel ramps of at least 20 feet in length at tire washing/cleaning stations, and ensure construction vehicles exit construction sites through treated entrance roadways, unless an alternative route has been approved by appropriate lead agencies, if applicable.
    - Use sandbags or equivalent effective measures to prevent run-off to roadways in construction areas adjacent to paved roadways. Ensure consistency with the project's Storm Water Pollution Prevention Plan, if such a plan is required for the project.
    - Sweep the first 500 feet of paved roads exiting construction sites, other unpaved roads en route from the construction site, or construction staging areas whenever dirt or runoff from construction activity is visible on paved roads, or at least twice daily (less during periods of precipitation).

- Stabilize disturbed soils (after active construction activities are completed) with a non-toxic soil stabilizer, soil weighting agent, or other approved soil stabilizing method.
- Cover or treat soil storage piles with appropriate dust suppressant compounds and disturbed areas that remain inactive for longer than 10 days. Provide vehicles (used to transport solid bulk material on public roadways and that have potential to cause visible emissions) with covers. Alternatively, sufficiently wet and load materials onto the trucks in a manner to provide at least one foot of freeboard.
- Use wind erosion control techniques (such as windbreaks, water, chemical dust suppressants, and/or vegetation) where soils are disturbed in construction, access and maintenance routes, and materials stock pile areas. Keep related windbreaks in place until the soil is stabilized or permanently covered with vegetation.

• *Mobile and Stationary Source Controls:*

- If practicable, lease new, clean equipment meeting the most stringent of applicable Federal[1] or State Standards. In general, commit to the best available emissions control technology. Tier 4 engines should be used for project construction equipment to the maximum extent feasible.[2]
- Where Tier 4 engines are not available, use construction diesel engines with a rating of 50 hp or higher that meet, at a minimum, the Tier 3 California Emission Standards for Off-Road Compression-Ignition Engines,[3] unless such engines are not available.
- Where Tier 3 engine is not available for off-road equipment larger than 100 hp, use a Tier 2 engine, or an engine equipped with retrofit controls to reduce exhaust emissions of nitrogen oxides and diesel particulate matter to no more than Tier 2 levels.
- Consider using electric vehicles, natural gas, biodiesel, or other alternative fuels during construction and operation phases to reduce the project's criteria and greenhouse gas emissions.
- Plan construction scheduling to minimize vehicle trips.
- Limit idling of heavy equipment to less than 5 minutes and verify through unscheduled inspections.
- Maintain and tune engines per manufacturer's specifications to perform at EPA certification levels, prevent tampering, and conduct unscheduled inspections to ensure these measures are followed.

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[1] EPA's website for nonroad mobile sources is http://www.epa.gov/nonroad/.

[2] Diesel engines < 25 hp rated power started phasing in Tier 4 Model Years in 2008. Larger Tier 4 diesel engines will be phased in depending on the rated power (e.g., 25 hp - <75 hp: 2013; 75 hp - < 175 hp: 2012-2013; 175 hp - < 750 hp: 2011 - 2013; and ≥ 750 hp 2011- 2015).

[3] as specified in California Code of Regulations, Title 13, section 2423(b)(1)

- *Administrative controls:*
    - Develop construction traffic and parking management plan that maintains traffic flow and plan construction to minimize vehicle trips.
    - Identify any sensitive receptors in the project area, such as children, elderly, and infirmed, and specify the means by which you will minimize impacts to these populations (e.g. locate construction equipment and staging zones away from sensitive receptors and building air intakes).
    - Include provisions for monitoring fugitive dust in the fugitive dust control plan and initiate increased mitigation measures to abate any visible dust plumes.

Greenhouse Gases and Climate Change

Scientific evidence supports the concern that continued increases in greenhouse gas emissions resulting from human activities will contribute to climate change. Global warming is caused by emissions of carbon dioxide and other heat-trapping gases. On December 7, 2009, the EPA determined that emissions of GHGs contribute to air pollution that "endangers public health and welfare" within the meaning of the CAA. Potential impacts from climate change could include the following changes: poor air quality; more severe heat; increased wildfires; shifting vegetation; declining forest productivity; water shortages; agricultural damage from heat, pests, pathogens, and weeds; and rising sea levels resulting in shrinking beaches and increased coastal flooding.

Recommendations:
The DEIS should describe the type and annual amount (in tons per year) of GHG gas emissions that will be emitted from the Proposed project.

The DEIS should consider how climate change could potentially influence the proposed project and assess how the projected impacts could be exacerbated by climate change.

The DEIS should quantify and disclose the anticipated climate change *benefits* of bio-fuel-capable power generation. We suggest quantifying GHG emissions from different types of generating facilities and comparing these values.

The DEIS should describe how GHG emissions could be reduced for the proposed Project.

<u>Emergency Planning and Community Right-to-Know Act and CAA §112(r)</u>

The DEIS should evaluate the need for compliance with CAA §112(r) and, as applicable, Emergency Planning and Community Right-to-Know Act § 303, 311, & 312.

Recommendation:
The DEIS should discuss compliance with CAA §112(r), EPCRA §§ 303, 311, and 312.

Water Resources

Geographic Extent of Waters of the United States

The Army should coordinate with the U.S. Army Corps of Engineers to determine if the proposed project requires a Section 404 permit under the Clean Water Act. Section 404 regulates the discharge of dredged or fill material into waters of the United States (WUS), including wetlands and other *special aquatic sites*. The DEIS should describe all WUS that could be affected by the project alternatives, and include maps that clearly identify all such waters within the project area. The discussion should include acreages and channel lengths, habitat types, values and functions of these waters. The EPA recommends that the Army include a jurisdictional delineation for all WUS in accordance with the 1987 *Corps of Engineers Wetlands Delineation Manual* and the December 2006 *Arid West Region Interim Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region*. A jurisdictional delineation will confirm the presence or absence of WUS in the project area and help determine whether or not the proposed project would require a Section 404 permit.

If a permit is required, the EPA will review the project for compliance with *Federal Guidelines for Specification of Disposal Sites for Dredged or Fill Materials* (40 CFR 230), promulgated pursuant to Section 404(b)(1) of the CWA. Pursuant to 40 CFR 230, any permitted discharge into WUS must be the *least environmentally damaging practicable alternative* available to achieve the project purpose. The DEIS should include an evaluation of the project alternatives in this context in order to demonstrate the project's compliance with the 404(b)(1) Guidelines. If, under the proposed project, dredged or fill material would be discharged into WUS, the DEIS should discuss alternatives to avoid those discharges.

> *Recommendation:*
> The Army should consult with the USACE to determine if there are jurisdictional waters of the U.S present at the project site. If jurisdictional waters of the U.S. are determined to be on the project site, the DEIS should include a final determination of the extent of waters of the United States at the project site and address any other relevant requirements, pursuant to the CWA Section 404 (b)(1).

Clean Water Act Section 303(d)

The CWA requires States to develop a list of impaired waters that do not meet water quality standards, establish priority rankings, and develop action plans, called Total Maximum Daily Loads, to improve water quality.

> *Recommendation:*
> The DEIS should provide information on CWA Section 303(d) impaired waters in the project area, if any, and efforts to develop and revise TMDLs. The DEIS should describe existing restoration and enhancement efforts for those waters, how the proposed project will coordinate with on-going protection efforts, and any mitigation measures that will be implemented to avoid further degradation of impaired waters.

Water Supply and Water Quality

Public drinking water supplies and/or their source areas often exist in many watersheds. Source water is water from streams, rivers, lakes, springs, and aquifers that is used as a supply of drinking water. Source water areas are delineated and mapped by the state for each federally-regulated public water system. The 1996 amendments to the Safe Drinking Water Act require federal agencies to protect sources of drinking water for communities. Therefore, the EPA recommends that the DEIS identify:

Recommendations:
The DEIS should discuss the amount of water needed for construction and operations of the proposed Project, describe where this water will be obtained, and fully evaluate the environmental impacts associated with using the selected water supply.

The DEIS should describe surface water features in the project area, and address the effects of project construction on hydrologic features in the project study area.

The DEIS should address the potential effects of project discharges, if any, on surface water quality. Specific discharges should be identified and potential effects of discharges on designated beneficial uses of affected waters should be analyzed. If the facility is a zero discharge facility, the DEIS should disclose the amount of process water that would be disposed of onsite and explain methods of onsite containment.

The DEIS should include a description of all water conservation measures that will be implemented to reduce water demands. Project designs should maximize conservation measures.

The DEIS should fully disclose potential beneficial and/or adverse direct, indirect and cumulative effects to surface and groundwater quality and quantity, wetlands, and aquatic ecosystems.

Stormwater Considerations

The DEIS should describe the original (natural) drainage patterns in the project locale, as well as the drainage patterns of the area during project operations. Also, the DEIS should identify whether any components of the proposed project are within a 50 or 100-year floodplain. The DEIS should note that, under the CWA, any construction project disturbing a land area of one or more acres requires a construction stormwater discharge permit.

Recommendations:
The DEIS should document the project's consistency with applicable stormwater permitting requirements. Requirements of a stormwater pollution prevention plan should be reflected, as appropriate, in the DEIS.

The DEIS should discuss specific mitigation measures that may be necessary or beneficial in reducing adverse impacts to water quality and aquatic resources.

Biological Resources, Habitat and Wildlife

The DEIS should clearly describe direct, indirect, and cumulative impacts to wildlife and habitat and measures to avoid, minimize, and mitigate for these impacts. The DEIS should identify all petitioned and listed threatened and endangered species and critical habitat that might occur within the project area. The document should identify and quantify which species or critical habitat might be directly, indirectly, or cumulatively affected by each alternative and mitigate impacts to these species. Emphasis should be placed on the protection and recovery of species due to their status or potential status under the federal or state Endangered Species Act.

Recommendations:
Identify all petitioned and listed threatened and endangered species and critical habitat that might occur within the project area. Identify and quantify which species or critical habitat might be directly, indirectly, or cumulatively affected by each alternative.

Discuss design and management measures to minimize adverse impacts to wildlife and native and rare plants.

Discuss how the proposed action would comply with ESA requirements, including any necessary ESA Section 7 consultation efforts with the U.S. Fish and Wildlife Service. Any relevant documents associated with the ESA Section 7 consultation process, including Biological Assessments and Biological Opinions, should be summarized and included in an appendix.

Analysis of impacts and mitigation on covered species should include baseline conditions of habitats and populations of the covered species.

If the applicant is to acquire compensation lands, the location(s) and management plans for these lands should be discussed in the DEIS. Specify, in the DEIS, provisions that will ensure habitat selected for compensatory mitigation will be protected in perpetuity.

The DEIS should describe the ROW vegetation management techniques to be used and potential associated environmental impacts, especially if mechanical methods or herbicides are to be used.

The DEIS should provide detailed information on any proposed fencing design and placement, and its potential effects on drainage systems on the project site. Fencing proposed for this project should meet appropriate hydrologic, wildlife protection and movement, and security performance standards.

Invasive Species

Executive Order 13112, *Invasive Species* (February 3, 1999), mandates that federal agencies take actions to prevent the introduction of invasive species, provide for their control, and minimize the economic, ecological, and human health impacts that invasive species cause. Executive Order 13112 also calls for the restoration of native plants and tree species. We encourage alternative management practices that limit herbicide use.

Recommendations:
The DEIS should include an invasive plant management plan to monitor and control noxious weeds. If herbicides or pesticides will be used to manage vegetation, the DEIS should disclose the projected quantities and types of chemicals.

If the proposed project will entail new landscaping, the DEIS should describe how the project will meet the requirements of Executive Order 13112.

Section 106 of the National Historic Preservation Act

Section 106 of the National Historic Preservation Act, 16 U.S.C. § 470f, requires federal agencies to take into account the effects of their undertakings on historic properties and provide the Advisory Council on Historic Preservation a reasonable opportunity to comment on those undertakings. The ACHP has issued the regulations implementing Section 106, 36 CFR Part 800, "Protection of Historic Properties." The NHPA requires that, in carrying out the requirements of Section 106, each federal agency must consult with any Native Hawaiian organization that attaches religious and cultural significance to historic properties that may be affected by the agency's undertakings.

Recommendation:
The DEIS should describe the process and outcome of Section 106 consultation between the Army and any Native Hawaiian organization that has shown an interest in the covered activities within the project area, issues that were raised (if any), and how those issues were addressed in the selection of the proposed alternative.

Environmental Justice and Impacted Communities

The interagency Memorandum of Understanding on Environmental Justice and Executive Order 12898 (August 4, 2011) and the Executive Order 12898, *Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations* (February 11, 1994) directs federal agencies to identify and address disproportionately high and adverse human health or environmental effects on minority and low-income populations, allowing those populations a meaningful opportunity to participate in the decision-making process. Guidance[4] by CEQ clarifies the terms low-income and minority population (which includes American Indians) and describes the factors to consider when evaluating disproportionately high and adverse human health effects.

Recommendation:
The DEIS should include an evaluation of environmental justice populations within the geographic scope of the project. If such populations exist, the DEIS should address the potential for disproportionate adverse impacts to minority and low-income populations, and the approaches used to foster public participation by these populations. Assessment of the projects

[4] Environmental Justice Guidance under the National Environmental Policy Act, Appendix A (Guidance for Federal Agencies on Key Terms in Executive Order 12898), CEQ, December 10, 1997.

impact on minority and low-income populations should reflect coordination with those affected populations.

Document existing human health and environmental risks to which people in the project area are exposed under the "affected environment."

Health Impacts/Children's Health

The DEIS should include a discussion of any health impacts associated with the project. Executive Order (EO) 13045, *Protection of Children from Environmental Health Risks and Safety Risks* (April 21, 1997), directs each Federal agency, to the extent permitted by law and appropriate, to make it a high priority to identify and assess environmental health and safety risks that may disproportionately affect children, and to ensure that its policies, programs, activities, and standards address these risks. The EO recognizes that some physiological and behavioral traits of children render them more susceptible and vulnerable than adults to environmental health and safety risks. Children may have a higher exposure level to contaminants because they generally eat more food, drink more water, and have higher inhalation rates relative to their size. Children also exhibit behaviors such as spending extensive amounts of time in contact with the ground and frequently putting their hands and objects in their mouths that can also lead to much higher exposure levels to environmental contaminants. In addition, a child's neurological, immunological, digestive, and other bodily systems are also potentially more susceptible to exposure related health effects. It has been well established that lower levels of exposure can have a negative toxicological effect in children as compared to adults, and childhood exposures to contaminants can have long-term negative health effects. Examples include life-long neurological deficits resulting from exposure to lead, mercury and other metals, and the increased susceptibility to particulate matter and other asthma triggers in the environment.

We recommend that the DEIS assess children's potential exposures and susceptibilities to pollutants of concern. When identifying pollutants, consider whether they pose a particular hazard to children's health (for example, PM_{10}, dust, heavy metals, or air pollution from near construction or roadway exposures). Describe the relevant demographics of affected populations and focus exposure assessments on children who are likely to be present in the project area. Discuss baseline health conditions by obtaining and discussing relevant, publicly available health data/records for the populations of concern, including data on existing asthma rates and asthma severity among children in the project area. If relevant, discuss impacts and consider exposure to children from mobile source air pollutants from project construction and operations. Children are believed to be especially vulnerable due to higher relative doses of air pollution, smaller diameter airways, and more active time spent outdoors and closer to ground-level sources of vehicle exhaust. Identify children's proximity to project emission sources, including transportation corridors and construction sites.

Noise Impacts

The DEIS should include an assessment of noise levels from construction, maintenance and operation of the proposed Project. Decibel levels should be evaluated as should the effects of noise levels on a variety of species, as well as effects on sensitive receptors, residences, recreational users and property values.

Hazardous Materials/Hazardous Waste/Solid Waste

The DEIS should address potential direct, indirect and cumulative impacts of hazardous waste from construction and operation. The document should identify projected hazardous waste types and volumes, and expected storage, disposal, and management plans. It should address the applicability of state and federal hazardous waste requirements. Appropriate mitigation should be evaluated, including measures to minimize the generation of hazardous waste (i.e., hazardous waste minimization). Alternate industrial processes using less toxic materials should be evaluated as mitigation. This potentially reduces the volume or toxicity of hazardous materials requiring management and disposal as hazardous waste.

Cumulative and Indirect Impacts

The cumulative impacts analysis should provide the context for understanding the magnitude of the impacts of the alternatives by analyzing the impacts of other past, present, and reasonably foreseeable projects or actions and then considering those cumulative impacts in their entirety (CEQ's Forty Questions, #18). The DEIS should clearly identify the resources that may be cumulatively impacted, the time over which impacts are going to occur, and the geographic area that will be impacted by the proposed projects. The DEIS should focus on resources of concern – those resources that are "at risk" and/or are significantly impacted by the proposed projects, before mitigation. In the introduction to the *Cumulative Impacts Section*, identify which resources are analyzed, which ones are not, and why. For each resource analyzed, the DEIS should:

- Identify the current condition of the resource as a measure of past impacts.
- Identify the trend in the condition of the resource as a measure of present impacts.
- Identify all on-going, planned, and reasonably foreseeable projects in the study area that may contribute to cumulative impacts.
- Identify the future condition of the resource based on an analysis of impacts from reasonably foreseeable projects or actions added to existing conditions and current trends.
- Assess the cumulative impacts contribution of the proposed alternatives to the long-term health of the resource.
- Identify opportunities to avoid and minimize impacts, including working with other entities.

As an indirect result of providing additional power, it can be anticipated that these projects will allow for development and population growth to occur in those areas that receive the generated electricity.

Recommendations:
The DEIS should describe the reasonably foreseeable future land use and associated impacts that will result from the additional power supply. The document should provide an estimate of the amount and likely location of growth, and the biological and environmental resources at risk.

The DEIS should consider the cumulative impacts associated with multiple large-scale renewable energy projects proposed in the Hawaiian Islands and the potential impacts on various resources including: water supply, covered species, and habitat.

DEPARTMENT OF THE ARMY
HONOLULU DISTRICT, US ARMY CORPS OF ENGINEERS
FT. SHAFTER, HAWAII 96858

March 7, 2014

Regulatory Office

Ms. Melissa DeSantis
Tetra Tech, Inc.
Attention: SGSP EIS
10306 Eaton Place, Suite 340
Fairfax, Virginia 22030

Dear Ms. DeSantis:

In a letter dated January 9, 2014, the U.S. Army Corps of Engineers (Corps) was invited to participate in an interagency scoping meeting for the preparation of a joint federal and state environmental impact statement (EIS) for the proposed construction and operation of a biofuel-capable power plant located at Schofield Barracks, Island of Oahu, Hawaii. The invitation letter included a draft copy of the then yet-to-be published notice of intent (NOI) to prepare an EIS pursuant to the National Environmental Policy Act (NEPA) as well as scoping materials prepared by the State of Hawaii Department of Land and Natural Resources (DLNR) pursuant to Chapter 343, Hawaii Revised Statutes. Corps file number POH-2014-00018-SAM has been assigned to this action, which you should refer to in all future correspondence with my office on this project.

While my staff was unable to attend the February 4, 2014 interagency scoping meeting, we have reviewed the NOI that was published in the Federal Register on January 17, 2014 (79 FR 3187). In response to the NOI, I offer the following scoping comments for your consideration.

Given the relative proximity of the proposed Schofield Generating Station Project (SGSP) to the Waikele Stream and other aquatic resources that may occur within the Department of the Army's NEPA scope of analysis, I request the EIS identify all potential waters of the United States (U.S.), including wetlands and streams (perennial, intermittent, and ephemeral) that could be directly or indirectly affected by your proposed action. In doing so, a wetlands ecologist or other qualified scientist should conduct a literature search and review, perform a field reconnaissance assessment, and survey the project area to identify, characterize, and map all aquatic resource features. The boundaries of any adjacent wetlands should be delineated using the Corps 1987 *Wetlands Delineation Manual* and the *Hawaii and Pacific Islands Regional Supplement to the Corps of Engineers Wetland Delineation Manual* (ERDC, 2012). Streams should also be inventoried and mapped, including the demarcation of an observed ordinary high water mark, if one exists, to help establish the lateral limits of potential Corps regulatory jurisdiction.

In addition to identifying the physical location and characteristics of aquatic resources, we recommend the application of the *Hawaii Stream Visual Assessment Protocol* (NRCS, 1998; 2001) or other appropriate peer-reviewed methodology to assess the condition (quality) of streams that flow through or near the action area.

As you formulate alternatives to the proposed action and evaluate the direct, indirect, and cumulative effects on the human environment as compared to the No Action alternative, all practicable steps should be taken to avoid and minimize adverse impacts to the aquatic environment. At this early planning stage, the SGSP footprint of disturbance and any ancillary project features, such as new or improved access roads and parking facilities, should be designed and located in areas that would avoid direct and indirect adverse effects to aquatic resources. Similarly, construction-related elements, including, but not limited to, staging areas, temporary access roads, haul roads, stockpile areas, and disposal sites should be sited in areas where aquatic features and other sensitive environmental resources do not exist.

If jurisdictional aquatic resources our determined by the Corps to occur within the project area and cannot be practicably avoided, activities that would discharge fill material into waters of the U.S. will require Corps authorization under Section 404 of the Clean Water Act (33 USC 1344). In some cases, if the regulated activity(s) results in minimal adverse impact on the aquatic environment and meets the terms and conditions of our 2012 nationwide permits (NWPs), a relatively expedient permit decision can be made. However, if the regulated activity(s) and associated impacts to waters of the U.S. do not meet the terms and conditions of our NWPs or other general permits, then an individual permit (IP) would be required. In the latter scenario, the applicant (i.e., Hawaiian Electric Company) would need to demonstrate to the Corps that its preferred alternative is the least environmentally damaging practicable alternative in accordance with U.S. Environmental Protection Agency's Section 404(b)(1) Guidelines ("Guidelines"). Accordingly, if it appears that the proposed action would require an IP, I recommend that as the U.S. Army and DLNR move forward with the joint federal and state EIS, that pre-application consultations take place with my office to ensure the NEPA alternatives analysis is adequate and robust enough to comply with the substantive requirements of the Guidelines, including, but not limited to, an on- and off-site alternatives analysis. Towards this end, it would also be prudent for the Corps to become a cooperating agency on the EIS based upon our jurisdiction by law and special expertise.

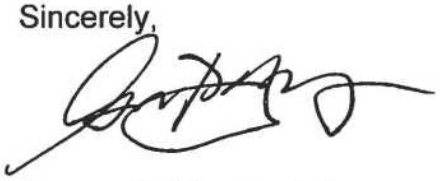
Furthermore, in the event unavoidable adverse impacts to waters of the U.S. would result from the proposed action, the applicant will need to propose compensatory mitigation to offset the loss of aquatic resource functions. If no third-party compensatory mitigation options are available (e.g., Corps-approved mitigation bank or in-lieu fee program), then applicant must develop a permittee-responsible mitigation

plan that follows the requirements set forth in the Corps' 2008 *Compensatory Mitigation for Losses of Aquatic Resources Final Rule* (73 FR 19594).

Lastly, in acknowledging the U.S. Army's NEPA lead agency role and responsibility to comply with all applicable federal laws and regulations for the proposed SGSP, the Corps would rely upon the U.S. Army's consultations with other federal and state agencies (e.g., U.S. Fish and Wildlife Service, DLNR, and State Historic Preservation Officer) in fulfilling our independent federal responsibilities under the same federal laws and regulations for the issuance of a Corps permit decision, assuming a Section 404 permit were to be required. Such laws and regulations include, but would not be limited to, Section 7 of the Endangered Species Act, Fish and Wildlife Coordination Act, and Section 106 of the National Historic Preservation Act

I appreciate the opportunity to comment and look forward to engaging in the NEPA process, as appropriate and based upon the extent of our regulatory scope of analysis. If you have any questions, please contact Susan A. Meyer at (808) 835-4599 or at susan.a.meyer@usace.army.mil.

Sincerely,



George P. Young, P.E.
Chief, Regulatory Office

Copy Furnished:
Mr. Doug Waters, Department of the Army, Army Energy Initiatives Task Force

Siegel, Amber

From: Jean Public <[redacted]>
Sent: Saturday, January 18, 2014 3:53 PM
To: DIV.SGSP Comments; DOUGLAS.S.WATERS.CIV@MAIL.MIL; USARY.JBSA.AEX.MBX@MAIL.MIL; PRESIDENT@WHITEHOUSE.GOV; SPEAKERBOEHNER@MALI.HOUSE.GOV; AMERICANVOICES@MAIL.HOUSE.GOV; scoop@huffingtonpost.com; jungaro@gannett.com
Subject: Fw: PUBLIC COMMENT ON FEDERAL REGISTER i want solar or wind - no biofuel which takes more eneergy to make than it gives - biofuel is an energy waster

BIOFUEL HAS BEEN A BIG SCAM ON THE PEOPLE OF THE USA. MOST BIOFUELS ARE SHUTTING DOWN. THEY TAKE SO MUCH ENERGY TO MAKE THE BIOFUEL THAT THEY TAKE MORE ENERGY THAN THEY EVER GIVE YOU. WHOSE BRIGHT IDEA WAS THIS AWFUL IDEA?

I THINK SOLAR OR WIND WOULD BE A BETTER CHOICE. SOLAR OF COURSE IS THE BEST. WATER POWER? ALSO. THIS IS SO MUCH BETTER THAN THIS BIOFUEL STUPIDITY. SHUT DOWN THIS AWFUL SCAM ON THE TAXPAEYRS OF THE USA. THIS PROJECT IDEA STINKS AND DESERVES A GRADE OF F MINUS. JEAN PUBLIC PLEASE RECEIPT.

WHY BIOFUEL WHICH TAKES SO MUCH ENERGY TO RUN?

On Friday, January 17, 2014 8:07 AM, "[redacted]> wrote:
Federal Register Volume 79, Number 12 (Friday, January 17, 2014)]
[Notices]
[Pages 3187-3188]
From the Federal Register Online via the Government Printing Office [http://www.gpo.gov/]

[FR Doc No: 2014-00888]

DEPARTMENT OF DEFENSE

Department of the Army

Preparation of Environmental Impact Statement for the Lease of Army Land at Schofield Barracks, Oahu, Hawaii for the Construction and Operation of a Biofuel-Capable Power Generation Plant

AGENCY: Department of the Army, DoD.

ACTION: Notice of intent.

SUMMARY: The Department of the Army notifies interested parties of its intent to prepare a Joint Environmental Impact Statement (EIS) for the proposed lease of Army land at Schofield Barracks to the Hawaiian Electric Company (``Hawaiian Electric'') for the construction and operation on that land of a 50-megawatt (MW) biofuel-capable power

generation plant. This EIS is designed to meet the requirements of both the National Environmental Policy Act (NEPA) and the Hawaii Environmental Policy Act (HEPA) as a matter of efficiency and cooperation with the State's decision-making process. The decision makers, the Department of the Army and the Hawaii Department of Land and Natural Resources, will use the analysis in the EIS to determine the potential effects of implementing the proposed action and alternatives. The Army also intends to integrate this NEPA process with the consultation and public participation requirements of Section 106 of the National Historic Preservation Act.

ADDRESSES: Written comments on the scope of the EIS or a request to be added to the EIS distribution list may be submitted as follows: Email to sgspcomments@tetratech.com; Facsimile (fax) to 703-385-6007 (Attention: SGSP EIS); U.S. mail to Melissa DeSantis, Tetra Tech, Inc. (Attention: SGSP EIS, 10306 Eaton Place, Suite 340, Fairfax VA 22030).

FOR FURTHER INFORMATION CONTACT: For more information on the Army's proposed action, please contact Mr. Doug Waters, Army Energy Initiatives Task Force. Mr. Waters can be reached by phone at 703-601-0511, Monday through Friday from 8:00 a.m. to 5:00 p.m. eastern, or by email at douglas.s.waters.civ@mail.mil. For general information about the Army NEPA process, please contact the Public

[[Page 3188]]

Affairs Office of the Army Environmental Command at 210-466-1590 or 1-855-846-3940 (toll free), or by email at usarmy.jbsa.aex.mbx@mail.mil.

SUPPLEMENTARY INFORMATION: The Army's proposed action, referred to as the Schofield Generating Station Project (SGSP), is a lease of 10.3 acres of land and a related 2.5 acre interconnection easement on Schofield Barracks to Hawaiian Electric, as well Hawaiian Electric's construction, ownership, operation, and maintenance of a 50 MW biofuel-capable power generation plant and 46-kilovolt subtransmission line.

The SGSP would be a source of renewable power that would provide an energy security service to Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia if loss of service occurs from the normal sources of electricity supporting these installations. Any electricity produced from renewable biofuels would also help achieve the Army goals of producing renewable energy on Army-owned real property.

The SGSP would benefit Hawaiian Electric and the residents of Oahu. It would provide a quick-starting facility to help maintain grid stability; provide a facility at a higher elevation and away from coastlines; provide a physically secure facility on a military installation; and makes progress toward the Hawaii Renewable Portfolio Standard.

The SGSP would operate on a mix of biofuel and diesel, as required to meet Hawaiian Electric's Renewable Portfolio Standard and the Army's renewable energy goals, and may help sustain a local demand for biofuels. Since the SGSP would be multi-fuel capable, it would be able to run on a combination of fuels as necessary to ensure operations are economically viable and can continue under adverse operating conditions.

The EIS will assess the potential for direct, indirect, and cumulative effects on the human, natural, and cultural environment and identify mitigation measures for any adverse effects.

The EIS will examine two alternative operating scenarios for the proposed action. Under the first scenario, the SGSP would run approximately six hours per day, and consume up to eight million gallons of fuel per year. Under the second scenario, the SGSP would

operate seven days a week and 24 hours per day, and would consume up to 31.5 million gallons of fuel per year.

The EIS will analyze a No Action Alternative, as prescribed by the Council on Environmental Quality (CEQ) regulations, to serve as the baseline against which the proposed action and alternatives are compared. Under this alternative, the SGSP would not be built. The EIS process will also examine whether there are additional reasonable alternatives that could meet the needs of both the Army and Hawaiian Electric.

Key resources of concern, for which potentially significant impacts could occur, include air quality, traffic, and stormwater. The Army is preparing supporting studies for those resources.

The Department of the Army encourages all interested members of the public, as well as federal, state, and local agencies to participate in the scoping process for the preparation of this EIS. Interested members may participate in scoping meetings, submit written comments, or both. Written comments will be accepted within a 45-day period following the publication of the Notice of Intent (NOI) in the Federal Register. Scoping meetings will be held on the Island of Oahu, Hawaii during the first week of February 2014. Notification of the locations and times for the meetings will be published in the Honolulu Star-Advertiser.

Brenda S. Bowen,
Army Federal Register Liaison Officer.
[FR Doc. 2014-00888 Filed 1-16-14; 8:45 am]
BILLING CODE 3710-08-P

Siegel, Amber

From: Robert Hennkens <[redacted]>
Sent: Tuesday, February 04, 2014 11:52 PM
To: DIV.SGSP Comments
Cc: Governor Neil Abercrombie
Subject: Schofield Barracks - Carbontech comment about the proposed bio energy generator on the Army Base, proposed by HECO.
Attachments: Scouping Comments for Fuel Requirements for the Schofield Barracks Army Base on Oahu.pdf; Carbontech Global Business Card.pdf

Please add our comment concerning the the scouping period as suggested by Ms Amy L. Bugala of Schofield Barracks to the catalog of recommendations proposed for the 50 mWh-REA steam powered bio generator. Our comment provide the only practical solution to the 325,000 tons of combustion fuel required to operate the large bio generator with grid quality on a dispatchable around-the clock basis. Our recommendations are socially noble, perpetually sustainable, nearly environmentally inert, eliminate much of the organic landfill wastes on all of the Island Counties, has the economic benefits of producing all of the fuel from organic waste streams that do not have to be imported, are persistent and readily available on the five Island Counties. In addition CT Fuel and BHLF if selected as the energy resource will assure that the bio generator emissions will be in compliance with the Hawaiian Mandate for mWh-REAs. The CO2 from emissions can be captured and used in adjoining greenhouses that can easily be a major component to help the thousands of Wounded Warriors. We will provide copies of the machinery and process patents and disclosures. And we will provide complete resumes of the individuals selected to manage the organic resource program and logistics, construction and operation of the CT Fuel and BHLF facilities, provide competent and professional training and management, provide patented equipment, processes, and independent combustion emission analysis. The resumes of all listed as managers and operation directors can also be provided on request. The CT Fuel facilities can commence to be operational and producing standardized size, weight, and btu fuel inventory for storage in Intermodal Containers within six months.

Also it is possible for our Carbontech Cooperative, Inc. member Mountain Cogeneration, Incorporated to bid at the pleasure of HECO for the bio generator, CO2 capture, and water recycling components that are optimum operating with CT Fuel. MCCI has constructed and operated over 100 bio fueled facilities since 1964. MCCI currently has plans and components for a 49.1mW-REA faceplate bio generation facility, and also has plans and components for twin 22.5 mW-REA faceplate plans and components available to bid and commence construction once permits are granted.

Thank you for entering our comment. Robert G. Hennkens

Robert G. Hennkens Cell 520 808 2123

AVELIS Biotechnologies
Carbontech Cooperative
Organic Energy Transfer
SAMMS Technologies

P.O. Box 65466 Tucson, Arizona 85728
520 577 6990 carbontechglobal@gmail.com

Carbontech Global

OUR MISSION IS SIMPLY TO MAKE SOMETHING OUT OF NOTHING, SUSTAINABLY

New Water, New Cultivars, New Soils, New Foods, New Forage, New Fibers, New Energy, New Housing,
Less Carbon Emissions, Clean Atmosphere, Better Biodiversity, Perpetually Sustainable Living

January 31, 2014

PROPOSAL: TO USE MULTIPLE ORGANIC WASTE STREAMS FROM THE FIVE ISLAND COUNTIES OF HAWAII TO PRODUCE 325,000 ANNUAL TONS OF GREEN AND PERPETUALLY SUSTAINABLE GREEN SOLID AND/OR LIQUID HYDROCARBON FUEL FOR EMPLOYMENT AS ENERGY RESOURCE TO POWER A HAWAII ELECTRIC COMPANY (HECO) 50 MW ELECTRIC BIO GENERATOR THAT SUPPORTS A LONG-TERM POWER PURCHASE AGREEMENT PROVIDED BY THE UNITED STATES ARMY BASE FACILITIES AT OAHU, HAWAII, AND HAWAII'S RENEWABLE ENERGY MANDATE.

Eight Page Scoping Project Narrative and Slides Presented by:

Carbontech Cooperative, Inc. , P.O. Box 65466, Tucson, Arizona 85728
Telephone: 520 577 6990 Email Carbontechglobal@gmail.com
Project coordinator: Robert G. Hennkens Cell: 520 808 2123 Email: rhennkens@gmail.com

Orientation: The Army Assistant Secretary of Installations, Energy, and the Environment has declared that the Army has land and it wants energy financed and generated by private organizations globally on its land to provide distributed secure, perpetually sustainable, and environmentally sensitive sources of on-site vital electricity to complete its missions. A project is proposed by Hawaii Electric Company (HECO) to generate 50 mW – REA of grid quality electricity on a continuous around the clock dispatch-able basis to principally serve electricity requirements of the United States Army Base Facilities at Oahu, Hawaii. And when not used by the Army, will revert to HECO's electricity grid.

IP: Carbontech Cooperative, Inc. members have patents and disclosures for technologies to produce Carbontech Composite (CT) solid fuel and CT Bio Hydrocarbon Liquid Fuel (BHLF) to fuel the proposed steam-powered bio generation system.

Technology Brief: CT and BHLF are unique perpetually sustainable, substantially environmentally inert, and socially noble non-food or water-based energy resources. CT and hot BHLF plasma will fire and co-fire a combustion boiler and steam powered generator(s). Hot BHLF plasma co-fired with bio diesel will provide bio energy to direct fire engine(s) to torque a generator. CT and BHLF are produced exclusively from persistently occurring waste organics that are readily available and have no-value what-so-ever. The solid and liquid fuels are to be processed by cookie-cutter CT mills and Organic Energy Transfer (OET) bio reactor facilities on each of the five Hawaiian County Islands. CT and OET technologies are good neighbors. The combined facilities use no water acids or enzymes; and produce no odors or black smoke. The combined facilities require five acres for infrastructure, building(s) outdoor and indoor processes, roadways and infrastructure at each site. A rail spur provides convenience but is not required. A permanent or temporary seaport facility is required on each Island where facilities are located. CT Fuel and BHLF facilities may be sited together or separately and may be sited on a county landfill or other brown field location under the EPA exemption for Renewable Energy Facilities.

Intent to Prepare Environment Impact Statement for Schofield Barracks Project Announced

SCHOFIELD BARRACKS, Hawaii (January 17, 2014) The Army invites the public to provide comments on the scope of an Environmental Impact Statement (EIS) for the construction and operation of a 50 MW biofuel-capable power generation plant at Schofield Barracks, City and County of Honolulu, O'ahu. Written comments to the EIS can be submitted during the 45-day scoping period from January 8 to February 22, 2014. Scoping meetings will be held at:

February 5, 2014 6:30–9:00 PM
Mililani Makua Elementary School Cafeteria
95-1111 Makaikai St.
Mililani, HI 96789

February 6, 2014 6:30–9:00 PM
Wahiawa District Park Recreation Center
1139a Kilani Avenue
Wahiawa, HI 96786

The Schofield Generating Station Project (SGSP) would be a source of renewable power that would provide energy security for Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia if loss of service occurs from the normal sources of electricity supporting these installations. The SGSP would also benefit the Hawaiian Electric Company (HECO) and the residents of Oahu by supplying power to the island-wide grid during normal operations.
The EIS will study the impacts of developing the SGSP on existing land at Schofield Barracks. The Army would lease 10.3 acres to HECO and grant a related 5-acre interconnection easement on South Range, Schofield Barracks. HECO would construct, own, operate, and maintain the power generation plant. A 46-kilovolt subtransmission line would be built to connect the SGSP to the HECO grid. Key resources of concern, for which potentially significant impacts could occur, include air quality, traffic, and storm water. More information can be found in the Notice of Intent (NOI) published in the Federal Register.
All interested members of the public, as well as Federal, state, and local agencies are invited to participate in the scoping process for the preparation of this EIS by participating in scoping meetings, submitting written comments, or both. The scoping process will help identify possible alternatives, potential environmental impacts, and key issues of concern to be analyzed in the EIS.

U.S.ARMY

ENERGY INITIATIVES TASK FORCE
Securing Army installations with energy that is clean, reliable and affordable

U.S. Army Energy Initiatives Task Force

June 19, 2013

From: Katherine Hammack, Assistant Secretary of the Army for Installations, Energy and Environment
To: Qualified Finance and Contractor Resources

Subject: We are facing interesting times.

The Honorable Katherine Hammack, Assistant Secretary of the Army for Installations, Energy and Environment (ASA IE&E).

We are living in interesting times. Today, the Department of Defense faces multiple threats and non-traditional challenges, all of which jeopardize our future security environment.

Lt. Gen. Mary Legere, the Army's senior intelligence officer, reports that the key defining element of the complex, future operating environment will be the "lack of Governance or Rule of Law." Driving this break down in governance will be an increasing, worldwide demand for scarce resources. Rising oil prices and scarcity of water driven by increasing demand; cultural and demographic conflicts, and political unrest in several regions; unstable weather conditions, and the effects of climate change; will create increased global tensions and worsen our future security environment.

The Army's ability to accomplish our mission on a global scale depends on secure, uninterrupted access to power and energy. With today's volatile energy market, the long-standing assumption that the Army will have unlimited availability of affordable fossil fuels is no longer valid. We must become more flexible, and adaptable, in obtaining necessary energy supplies.

Due to the need for expansive maneuver areas, Army installations are typically isolated and at the end of utility lines. By constructing renewable energy projects, the Army increases its energy security, reduces vulnerability in the event of power outages, and reduces utility bills that are increasing much faster than inflation.

While we may use appropriated funding and performance contracting for smaller renewable energy projects, the Army recognizes it must take a different partnership path if it is going to develop the large-scale projects it requires to meet our energy security needs. The Army's goal is to have 25 percent of our power requirements generated by renewable energy sources by 2025, and, very importantly, to have that power consumed on our installations.

To address these issues and to comply with Congressional and Presidentially-directed mandates for energy consumption and alternate energy production (NDAA of 2007, 2010, Energy Policy Act 2005, and Executive Order 13514) the Secretary of the Army established the Energy Initiatives Task Force on September 15, 2011. The EITF leverages private-sector financing and expertise to gain access to up-front capital investments in return for a long-term power purchase agreement.

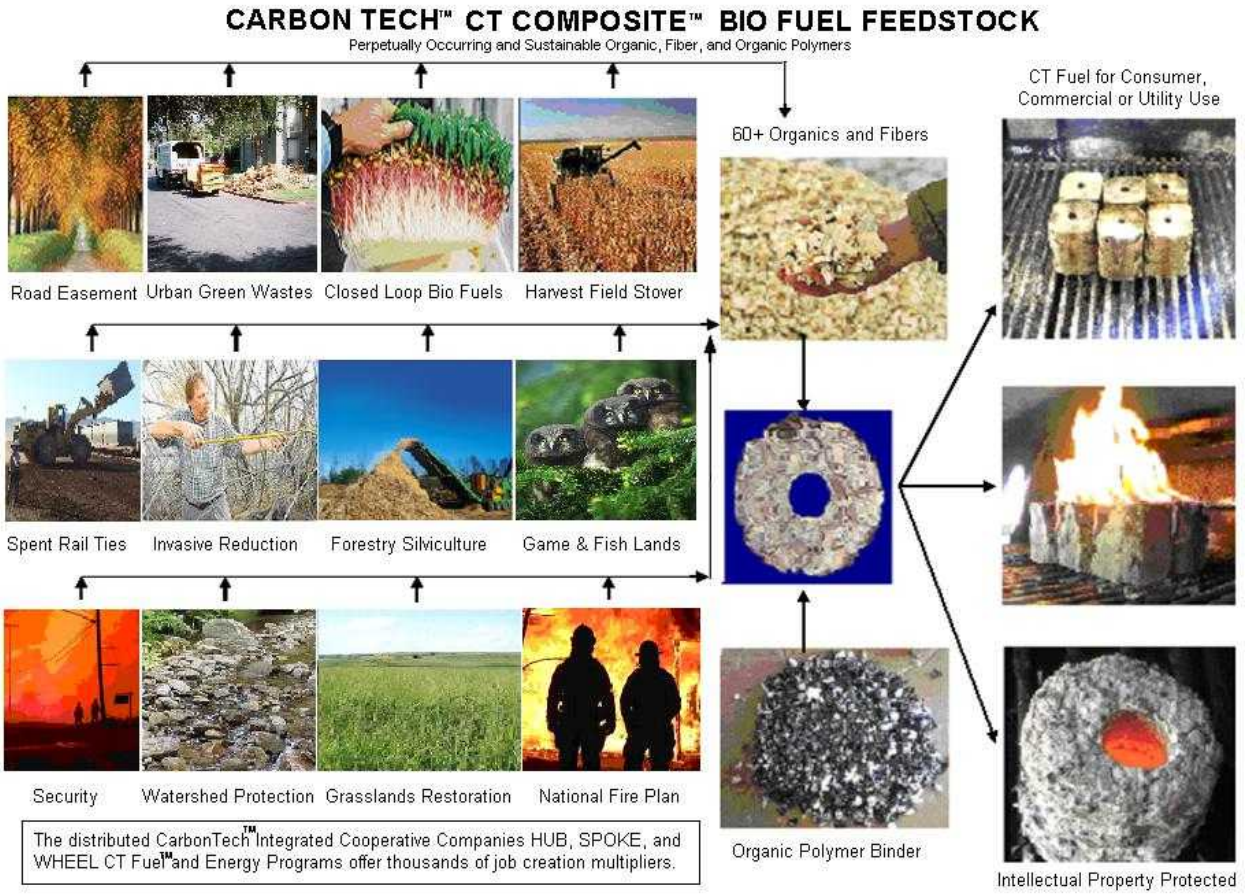
To support the EITF, the U.S. Army Corps of Engineers initiated the first of its kind, Multiple Award Task Order Contract, or MATOC, to identify a pre-approved list of project developers in four technology areas: wind, solar, geothermal electricity, and energy/biomass. The total contract ceiling across all four technologies is $7 billion, and allows for maximum flexibility for use by other military Services.

These energy initiatives are part of a broader effort to take an integrated approach to achieving Net Zero energy, waste, and water across all Army communities. The Army's Net Zero Installation initiative involves 17 pilot installations that serve as test beds for new design approaches as well as technological and non-technological solutions striving to reach Net Zero in one or more of these areas by 2020. We expect Army installations to serve as models of sustainability that minimize resource competition with local communities, have lower operating costs, and offer a better quality of life for our soldiers and their families.

The Army is collaboratively managing its Energy and Sustainability efforts at an enterprise level that leverages the best practices of industry, academia, and the other military Services. We offer a model of successful public-private partnerships. We are achieving all of this while enhancing our energy security and strengthening our ability to perform our mission in an increasingly complex and challenging global environment.

Army Strong!

Infrastructure – CT Fuel to 50 mW bio gemerator



QUICK SUMMARY
CARBONTECH COMPOSITE SOLID FUEL (CT FUEL) AND BIO HYDROCARBON LIQUID FUEL (BHLF)

FEEDSTOCK: CT Fuel requires no specific new cultivars or GMO crops. The process exclusively employs perpetually renewable, persistent, and readily available organic waste feed stocks available on each of the five Hawaiian County Islands described in the 997 page document HAWAII BIOENERGY MASTER PLAN VOLUME 1. Waste organics include materials such as orchard, forest, woodlands, grasslands, game and fish lands, and watershed thinning under auspices of the National Fire Plan and NEPA; Invasive species such as eucalyptus, abeceda, guinea grass, and sugar cane (use the sugar for ethanol plastics) residue; agriculture harvest field stover and bagasse (including GMO crops); palm fronds and cactus urban green wastes; food contaminated non-recyclable paper and cardboard; pre-landfill construction and demolition wood; and clean non-toxic plastic.

COMBUSTION: CT Fuel is a specific shape and size to substantially reduce the difficulties of storage, conveyor feed and pre-combustion characteristics of most biomass fuel. It has high combustion values of 11,500 to 12,000 btu's per pound. This is nearly double the btu value of most raw woody biomass with consistent moisture range of 8% to 12% that is substantially less than bone-dry raw wood. Less water in any fuel equals fewer btu's required to flash the water and more btu's for torque-energy. More btus per pound = less fuel required for the same work-duty job. Less fuel combusted = less emission release. CT Fuel contains no ancient carbon monoxide and carbon dioxide, only trace amounts of sulfur, inorganic metals, and $\pm$ 2% nitrogen. The modern biology of the feedstock and high thermal value results in carbon neutral, very low Hazardous Atmospheric Pollutants, Polycyclic Aromatic Hydrocarbons, and trace amounts of sub-micron 10 particulates (black smoke) from combustion emission to air or water. Ash from combustion is $\pm$ 2% and is substantially sanitary. The ash may be used for soil amendment or in composting. This is in stark contrast to ancient organic fossil fuels that are a composite of biomass and algae combined with volcanic and other natural toxins in the atmosphere, land, and water at the time the organics were forced under the earth's surface and compressed under great heat and pressure, in the absence of oxygen to form coal, petroleum oil, and natural gas. The ancient greenhouse gases and toxic elements are released at combustion.

BHLF: Is the cellulosic hydrocarbon liquid produced from CT Fuel and other organic wastes such as cooking oils, animal fats and greases, cattle manure and chicken litter. The liquid is 100% soluble in petroleum crude oil, and has the aromatic and chemical characteristics of West Texas Light Intermediate Crude Oil. It may be used to co-fired with any fossil fuel, as asphalt binder, refined in any petroleum refinery, or injected with hydrogen to produce green gasoline and green diesel fuel. The Organic Energy Transfer facilities are cookie-cutter in machinery and facility, to employ 12,000 tons of CT Fuel per year.

Each cookie-cutter identical CT Fuel line produces four (4) tons of green CT Fuel from a wide variety of organic wastes. This plant has four lines that can produce sixteen (16) tons per hour or 128 tons per eight hour shift X 350 days = 44, 800 tons per year. One plant sited on Kauai, Molokai and Maui, 2 plants sited on Hawaii, and 3 plants sited on Oahu =

Each 12,000 CT Fuel ton per year Bio Reactor will convert CT Fuel & other organics to a liquid 100% soluble in fossil crude with characteristics and aromatic values of West Texas Intermediate Light Sweet Crude

358,400 tons of CT Fuel per year, enough to meet the projected requirements of the proposed 50 mW-REA HECO/Oahu Army Facilities around the clock bio generators needs of 325,000 tons per year. CT Fuel adoption will also substantially reduce organic landfill wastes that average around 63% nationally, and most likely higher in the Hawaiian Islands due to the tourist industry. It will also satisfy Hawaii's Renewable Energy Attributes (REAs) for reduction of five gases CO, CO2, Lead, Sulfur Dioxides, and Nitrous Oxides, Hazardous Atmospheric Pollutants (PM10), and Polycyclic Aromatic Hydrocarbons (ethanol, etc.), and heavy metals such as lead and mercury water pollutants. CO2 can be collected from combustion in the bio generator and delivered to greenhouses that may be considered for the Wounded Warrior program. Combustion of CT Fuel and related BHLF is considered carbon neutral. Either fuel type resists pre-combustion and is delivered to combustion without the normal difficulties with raw organic resource. Combustion produces no bottom ash that requires toxic landfill. The ash from combustion is +2% and more towards the 1% range in the patent disclosure tests, is substantially sanitary and may be used as a powerful natural fertilizer for soil amendment. Adoption of CT Fuel will provide forty direct jobs, and one hundred or more indirect green collar family-wage jobs with a projected economic multiplier potential of $5 for each $1invested….annually. CT Fuel can be stored in Intermodal Containers for years if necessary. It is so dense at over 80,000 psi that water does not invade the fuel so the many idled sugar cane barges with sea-going tugs can provide efficient inter-County Island transportation from islands or landfills on Oahu to the bio generator by tug, rail, and trailer. Patents and disclosures are available for information.

Projected Carbontech Cooperative personnel to manage and coordinate the cooperative management of the full with prime responsibility per county for CT Fuel and BHLF Hawaiian Island waste organic resource program to support the HECO 50 mW-REA bio generator long-term program:

OAHU - Rich Alsup: Cal Pomona Structural Engineering, University of Alaska Fairbanks - Indigenous Anthropology, Sheldon-Jackson College – Forestry, Owner/operator J & R Forestry, work - Hilton Hotels and Suites, Los Angeles. U.S. Army Special Forces (Ret.) stationed at Schofield Barracks, Oahu, Hawaii.

MAUI- Brad Dreadfulwater: US Marine Corps, Staff Academy Leadership School, U.S. National Forest Service – Advanced Timber Cruiser, Wild lands Fire Fighter, Level 2 Law Enforcement, Tree Management and Planting, Stream and Watershed Restoration, Organic Layouts for Fuel Reduction, Machinery Mastication. U.S. Marine Corps (Honorable Discharge), Certified Helicopter Avionics and Ground Radio Transmission. Member of the Cherokee Nation of Oklahoma.

MOLOKAI – Steve Hall: US Air Force, Founder Carbontech Cooperative, Inc., Owner and operator of Environmental Forest Solutions, Grow-Fast, Western Renewable Fuels, and the Eagar, Arizona Small Business Incubator and Bio Generation Facility, Hall Trucking Company, and Operates Landfill Restoration. Experienced with key personnel on Molokai and proponent of all-natural agriculture.

KAUAI – Kai and John Hoff: Kai, owner and operator of Paradise Landscaping on Kauai.
John, owner and operator of NuSun Energy and Bed and Breakfast on Kauai. Both active proponents of the renewal of Kauai and the Hawaiian Islands. US Coast Guard Reserve – John.

HAWAII – Bob Hennkens: Oklahoma State Univ, - Agriculture, Washington Univ, Embry-Riddle Aeronautical Univ, Univ of Arizona ChemE and Adjunct, Tenneco Mgmt Institute, Farm Equipment Mfg Assn, American Chianina Assn, Trustee McKendree College, Dir. Magna Bank Holdings, Founder MegaBank Holding, development in Asia, CIF States of the former Soviet Union, Ecuador, and Mexico. Vice Chair FLC.org), founder Carbontech Cooperative, Inc., plan-for-sustainability Hawaii's solid-waste programs – 2481. Director Development Buffalo Soldiers Monument Committee, Fort Leavenworth, Kansas, Conversational Spanish, U.S. Coast Guard Reserve.

Advisory Directors

Brig General Coy Pettijohn: USAF (Ret) Insurance, Former Director Intelligence Pacific Command.
Colonel Andy Baardson, USA (Ret) Bio Generation, Former Commander Fort Sill, Oklahoma.
Hon. Barry M. Goldwater, Jr., Finance, Former U.S. Congressman from California.
Shampara Jose Butalo, Jr., Social Issues, Teacher, National Living Treasure of the People of Hawaii.
Captain Jim Biggers, USNR, Engineering, Former Fuels Officer USS Enterprise, NASA & NAVAIR scientist.
Joseph Gross, West Point, Water, Former Director Engineering & Construction US Corps of Engineers.
Doug Fant, Esq., Legal, Former U.S. Interior Dept., EHS Director Mobil Oil, Adv. Western Governors Assn.
Francis Nakayama PhD, Agriculture, former scientist chemistry, USDA ARS, raised in Hawaii.
Havafi Fravel, Bio Technology Sensors, Member of Royal Academy of Physics, Patent Holder.
Bob Shatz, Capital Structure, Founding Member Carbontech Global, former VP Nomura Securities.
Bob Campos, Construction, Founding Member Carbontech Cooperative, owner Campos Construction Co.
Ronald Larzalier, Forestry, owner Apache Land Restoration, Apache 8 Wildfire fighters, fluent in Apache.
Ing. Luis Carlos-Cruz, Professional Engineer, Fluent in Spanish.

Melissa DeSantis ATTN: SGSP Comments
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Ronald Gunderson
[redacted]

Reference: Public Scoping Comments Schofield Generating Station Project (SGSP)

To Whom It May Concern

I attended the public hearing in Mililani, HI on 5 Feb as a private citizen and have several comments concerning the Schofield Generating Station Project concerning Air Quality, Noise, Public Health and Safety, Utilities and Infrastructure, water resources and other concerns.

Water resources for cooling of the generation plant power is provided by water yet the public briefing did not discuss if the water cooling was a self contained system. The rate of usage at 7 gal per min would require a huge amount of water if not a self contained system. If the system is not self contained the water is being taken from the ground at 7 gal per min and where is the excess flowing. This is a huge drag on the ground water and waste water system. If the water cooling system is a contained system, in the event of a spillage or break, what is the containment to avoid contamination of the ground water aquifer? This is a public health and safety issue that must be addressed to avoid any contamination of the ground water aquifer?

Noise generation from the operating plant was not discussed yet the location of the plant near large communities on the military base and outside is a major concern.

Primary source fuel for the power generation plant is bio-fuel. The power plant is also capable of using various alternate liquid fuels such as diesel oil. Bio-fuel as a primary fuel source should not be considered, it is weather dependent for growing, costly, takes away from the food supply and is not a highly sought fuel making it costly. HECO should be discussing the use of liquid natural gas as a primary fuel for this power generation plant. Liquid natural gas is the planned primary fuel in the future to be used at the main generating plants in the next few years and should be the primary fuel for this generation plant. LNG is less expensive than oil and bio-fuel, and would provide HECO with a single source of fuel. Containment of LNG is much less expensive and spillage or line breakage would not contaminate the ground water system. Small bio-fuel and oil spills can contaminate the entire ground water system causing a water shortage on the whole island. The military does not have a good record of reporting spills in a timely manner, evidence of the last spill at the large fuel tanks in Pearl Harbor where over 20,000 gallons were spilled before it was discovered and higher contamination is being found in the island ground water supply system. This is a public health and safety issue that must be addressed to avoid any contamination of the ground water aquifer with the use of any bio-fuel or diesel oil.

Air Quality is is reduced by the use of a bio-fuel or diesel oil for power of the generating plant. Liquid natural gas should be the preferred fuel as it burns cleaner, is less costly, and much more plentiful with vast amounts of US resources.

The briefing mentioned that the military would have first source to power in the event of an emergency and yet when asked what type of emergency, how much energy for what duration, to what locations and on whose order, the reply was the military leadership. This is not a suitable reply. HECO needs to define and write out in detail the contingencies and other factors to include facilities to be powered. Military national security requirements and communications already have alternate power sources so just why and where does Schofield need this power must to be defined.

The briefing did not provide a great amount of detail on what national security and disaster response conditions that Wheeler AAF would provide that the generation plant . Wheeler AAF may be a FEMA disaster site based on its location and supports the Hawaii Army National Guard , however based on news reports the Hawaii Army National Guard is moving in the next few years and the airfield is much too small with a 6500 foot runway and small footprint size to consider as an offload base of large and heavy jet aircraft. Wheeler AAF does not have runway aligned landing system and any use by large heavy aircraft would have a significant impact on the safety of the surrounding communities . The location of Wheeler AAF between two mountain ranges within 5 to 10 miles at 4 to 5000 feet in elevation above field elevation creates a hazardous condition that is even more compounded at night. Wheeler AAF does not have the required open space for parking of several large aircraft or equipment to unload several large aircraft. If the site is intended only for rotary wing aircraft than it is more than suitable, however it would only require a tower to control aircraft and it already has an alternate power source in case of emergencies. Lighting of the runway and taxiway would not be required in an emergency and at night rotary wing aircraft are mostly using night vision aids that would preclude the use of lights on the airfield surface. Lighting of the ramp for offload is already limited so portable generator lights would have to be brought in with their own generator source.

Utilities and Infrastructure will require a major upgrade by building the generation plant so far from the substation to which connected. The briefing did not provide why building a private power plant on federal military installation land would be beneficial or the associated costs or savings based on building on a federal installation. The building of a private power generation plant on federal land should be a last resort and not based on some unknown security requirement. HECO can provide their own security and should whether on a military installation or not. The plant will require a fence and gate in either location. The federal government and military commanders can restrict usage and entrance to the facility at their will if located on a military installation. See latest NEWS releases where US supreme court has given base commanders control over easement and leased land. This appears to be a way of least resistance for HECO to use the federal military land via a least agreement at little cost and provide first usage to the military and pay for the power upgrades to Schofield and still have to pay for power lines to the power substation many miles away and subvert Oahu land use requirements by using federal military land.

This is not a win for Oahu or the public. HECO and the Oahu public is left holding the price tag and schofield is out very little. Schofield does not pay private customer rates but rather a much lower commercial business rates and should not be getting special consideration. There are no national security issues and if there were the federal government should be paying and not HECO and the Oahu public. The plan to use bio-fuel is ill conceived when HECO has stated that LNG is the fuel of the future and is less costly, more efficient, and cleaner burning. HEO should procure the land at or near the substation to reduce the power lines and infrastructure required and build an LNG electrical generation plant.

NEIL ABERCROMBIE
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February 28, 2014

VIA U.S. MAIL AND E-MAIL

Melissa DeSantis
Tetra Tech, Inc.
Attention: SGSP EIS
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sgspcomments@tetratech.com

Re: Preparation of Environmental Impact Statement for the Lease of Army Land at Schofield Barracks, Oahu, Hawaii for the Construction and Operation of a Biofuel-Capable Power Generation Plant

Dear Ms. DeSantis:

The Hawaii Department of Business, Economic Development, and Tourism ("DBEDT") submits the following comments in response to the Department of the Army's ("Army") Notice of Intent[1] to prepare a Joint Environmental Impact Statement ("Joint EIS") for the proposed lease of Army land and easement at Schofield Barracks to the Hawaiian Electric Company, Inc. ("HECO") for the construction and operation of a 50-megawatt ("MW") biofuel-capable power generation plant and 46-kilovolt subtransmission line, the Schofield Generating Station Project ("Project").

DBEDT acknowledges the Army's need for energy security for the Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia, and DBEDT is committed to working with the Army, HECO, the State of Hawaii's Department of Land and Natural Resources' ("DLNR"), and other interested stakeholders during the National Environmental Policy Act ("NEPA") and Hawaii Environmental Policy Act ("HEPA") process to ensure a successful and reasonable outcome. DBEDT thus requests to be added to the EIS distribution list.

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[1] Department of the Army, *Preparation of Environmental Impact Statement for the Lease of Army Land at Schofield Barracks, Oahu, Hawaii for the Construction and Operation of a Biofuel-Capable Power Generation Plant,* Notice of Intent, 79 Fed. Reg. 3187 (January 17, 2014) ("Notice").

DBEDT's comments herein are guided by Hawaii's clean energy policy, which has a significant influence on the State's economic and environmental well-being. Based on that perspective there are other considerations that should be accounted for and other alternatives that should be explored as part of the Joint EIS. Such alternatives would better serve Hawaii's and the Army's mutual interests in reducing consumption of petroleum-based generation and in exploring other clean energy options that would reliably and cost-effectively promote Hawaii's and the Army's energy security.

I. Comments

A. Building Petroleum-based Electricity Generation is Contrary to Hawaii's Energy Policy and is Not in the Public Interest in Hawaii

Based on its interests and statutory obligation to reach and exceed Hawaii's clean energy targets, DBEDT is concerned with the characterization of this Project as one that would "make progress toward the Hawaii Renewable Portfolio Standard [("RPS")]."[2] Of primary concern is the fact that diesel is proposed to be an integral part of the fuel mix.[3] Building a diesel-based electricity generation unit is contrary to meeting Hawaii's RPS mandate, which requires each electric utility company that sells electricity for consumption in Hawaii to establish a RPS of forty per cent of its net electricity sales by December 31, 2030.[4] Both DLNR and DBEDT are charged with facilitating the private sector's development of renewable energy projects by supporting the private sector's attainment of the RPS.[5]

Moreover, Hawaii and the United States Department of Energy's partnership—the Hawaii Clean Energy Initiative—is aimed at attaining independence from Hawaii's detrimental reliance on fossil fuels.[6] DBEDT submits that using diesel to operate the Project would be a step backwards for Hawaii from an energy policy and environmental perspective. DBEDT also notes that there is insufficient clarity at this time as to the extent of the proposed reliance on diesel versus biofuels in all of the scenarios proposed for consideration.[7]

DBEDT further notes that the intent to use diesel for the Project was not stated in support of HECO's application to the Hawaii Public Utilities Commission ("Hawaii PUC") for waiver from the Hawaii PUC's Framework for Competitive Bidding.[8] There, HECO claimed that a waiver

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2 Notice at 3188.

3 State of Hawaii Department of Land and Natural Resources Environmental Impact Statement Preparation Notice for the Proposed Schofield Generating Station Project (December 23, 2013)("DLNR EISPN") at 3:13-15.

4 H.R.S. § 269-92 (Renewable Portfolio Standards).

5 H.R.S. § 196-41 (State Support for achieving Renewable Portfolio Standards).

6 *See* http://www.hawaiicleanenergyinitiative.org/about; *cf.* 2009 H.B. 1464, Act 155.

7 DLNR EISPN at 3:13-15 ("The Schofield Generating Station would operate on a mix of biofuel and diesel as required to meet Hawaiian Electric's Renewable Portfolio Standards . . . .").

8 *See I/M/O the Application of Hawaiian Electric Co. for Approval of Application for Waiver from the Framework for Competitive Bidding*, Decision and Order No. 30522, Hawaii PUC Docket No. 2011-0386 at 7 (August 1, 2012) ("Waiver Order") at 5 (noting that by Decision and Order No. 23121, filed on December 8,

for the Project was appropriate "since the utility is seeking to acquire power from a non-fossil fuel (biofueled) facility to meet the governmental objective of energy security for the military."[9] The Hawaii PUC generally found that the Project meets the criteria for a waiver under Section II.A.3 of the Competitive Bidding Framework,[10] and specifically found that the "Project will be addressing a critical governmental objective, in which the fuel source is renewable, which is consistent with Sections II.A.3.c.(iii) and II.A.3.c(iv) of the Framework."[11] In addition, the HECO Companies' 2013 IRP Report and Action Plan[12] did not indicate that the Project would rely on diesel fuel. Rather, the Report stated that the Project "would more efficiently consume 3,000,000 gallons/year of biodiesel . . . ."[13]

In addition to raising concerns pertaining to State energy policy, reliance on petroleum-based fuels raises concerns regarding price, energy security, and environmental impacts.[14] As such, DBEDT is concerned that the Project as currently proposed would not support the State's efforts to redefine Hawaii's energy future.

B. Other Alternatives that Would Foster the State's and Army's Interests Should be Considered

DBEDT believes the State of Hawaii's goals are consistent with the goals of the Army Energy Initiatives Task Force, which serves as the central management office for partnering with Army installations to implement cost-effective, large-scale renewable energy projects, such as the

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2006, in Hawaii PUC Docket No. 03-0372, "the commission adopted the Framework to govern competitive bidding as a mechanism for acquiring new energy generation in Hawaii. Under the Framework, competitive bidding is the required mechanism for acquiring a future generation resource or a block of generation resources, subject to certain conditions and exceptions.").

9 *I/M/O the Application of Hawaiian Electric Co. for Approval of Application for Waiver from the Framework for Competitive Bidding,* Application for Waiver, Hawaii PUC Docket No. 2011-0386 at 7 (filed December 27, 2011). *See also* Waiver Order at 7 (noting the same).

10 We note that the Waiver Order underscored certain provisions in Part II.A.3 of the Competitive Bidding Framework that HECO had argued in support the request for waiver. One such provision was Part II.A.3.b.(iv), which provides that a circumstance when competitive bidding may not be appropriate includes "when competitive bidding will impede or create a disincentive for the achievement of [Integrated Resource Planning ("IRP")] goals, renewable energy portfolio standards or other government objectives and policies". Waiver Order at 5-6.

11 *Id.* at 10. Sections II.A.3.c(iii) pertains to "the acquisition of power from a non-fossil fuel facility (such as a waste-to-energy facility) that is being installed to meet a governmental objective;" and II.A.3.c(iv) pertains to "the acquisition of power supplies needed to respond to an emergency situation." *Id.* at 7.

12 Hawaiian Electric Companies' 2013 IRP Report and Action Plan, Hawaii PUC Docket No. 2012-0036 (filed June 28, 2013) (hereinafter "IRP Report"). HECO has two subsidiaries, Hawaii Electric Light Company, Inc. ("HELCO") and Maui Electric Company, Limited ("MECO"). DBEDT refers to the three companies collectively as the "HECO Companies."

13 *Id.* at ES-13.

14 Biofuels Study Final Report to the Legislature In Accordance with Act 203, Session Laws of Hawaii, 2011, State of Hawaii Dept. of Business, Economic Development & Tourism (December 2012) at i. This report is available at: http://files.hawaii.gov/dbedt/annuals/2012/2012-biofuels-study-act-203.pdf.

Project.[15] This Task Force seeks to ensure that favorable project sites move to completion and that the Army achieves its renewable energy goal of deploying one gigawatt of renewable energy by 2025. Incorporating oil-based fuels as part of this Project would run counter to this goal. The DLNR EISPN states that the purpose of the Project is to meet the common needs of Hawaiian Electric and the U.S. Army Garrison—Hawaii for secure, reliable, and renewable power generation.[16] Building petroleum-based electricity generation units is not part of a clear generation scheme that: 1) promotes and maximizes the use of locally produced renewable energy; and 2) increases fuel diversity by moving away from oil-based options.

The State of Hawaii has an interest in diversifying its energy portfolio and leveraging our international status as a clean energy test bed. Hawaii is fortunate to have ample access to natural resources, including the sun, wind, ocean, bioenergy, and geothermal resources.[17] Additionally, the State has numerous additional options to enhance fuel diversity that are consistent with DBEDT's support for an "all of the above" strategy to accomplish these goals. For instance, cost competitive liquefied natural gas ("LNG") could play a limited, transitional role in the power generation market.[18] LNG, rather than the more expensive diesel, could provide generation for peak load demand. There is currently a surplus of natural gas in our country, evidenced by the proposed export terminals at Cove Point, MD, Sabine Pass, TX, and the Gulf of Mexico, among others.[19] The United States Department of Energy has been approving LNG terminal export licenses, thus expanding the use of LNG. These successful examples of LNG integration suggest a positive potential for the use of LNG to meet Hawaii's demand for cleaner energy and a more diverse supply.

Consistent with the goals of the Army Energy Initiatives Task Force, natural gas can be used in combination with renewables to solve intermittency and improve energy reliability.[20] This type of strategy would help the Army meet its three driving principles of energy security, mandates, and economic benefits.[21]

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15 http://www.armyeitf.com/.

16 DLNR EISPN at 2:29-30.

17 *See* State of Hawaii Energy Resources Coordinator's Annual Report 2013 at 9 (providing Hawaii renewable energy generation by resource). This report is available at: http://files.hawaii.gov/dbedt/annuals/2013/2013-erc.pdf.

18 HECO noted in its IRP Report, "[f]or the fuel-burning generation fleet (existing and future), LNG may be the lowest-cost fuel, and to the benefit of customers, may be substantially lower cost than ultra-low-sulfur diesel (ULSD). The use of ULSD may be necessary to comply with more stringent environmental regulations, and LNG would be an attractive alternative to more expensive ULSD." IRP Report at ES-19.

19 http://www.ferc.gov/industries/gas/indus-act/lng/lng-proposed-potential.pdf.

20 Energy Initiatives Task Force, Collaboration for Energy Security, slide 14 (February 7, 2014), *available at* http://energyoutlook.naseo.org/Data/Sites/3/presentations/Simpson.pdf.

21 *Id.* at slide 15. The Army must satisfy multiple renewable energy mandates under Section 203 of the Energy Policy Act of 2005, Executive Order 13514, the National Defense Authorization Act of 2007, and President Obama's Climate Action Plan. *See* http://army-energy.hqda.pentagon.mil/renewable/renewable.asp (summarizing targets under the Energy Policy Act of 2005 and the National Defense Authorization Act of 2007); *see also* Executive Order 13514 – Federal Leadership in Environmental, Energy, and Economic Performance, http://energy.gov/eere/femp/downloads/executive-order-13514-federal-leadership-environmental-

While the Project has the primary stated purpose of grid stability to compensate for an anticipated increase in variable power generation from solar and wind resources, other mitigation strategies should be studied. Variable power generation can be mitigated by employing a host of techniques to enable quick start other than by using diesel generators. For instance, energy storage systems, ancillary services, or demand response methods could be employed to mitigate any loss of biofuel inputs. Other mitigation measures may include better management of certain HECO baseload units on Oahu.[22] The addition or conversion of combined-cycle units may also be evaluated. Furthermore, since the Project is a quick start resource, studies could be conducted to determine if a battery energy storage system ("BESS") system could offer the desired back-up to the biofuel generators, just as a BESS offers operating reserves in the Maui grid.[23] According to HECO, its stated quick load pick-up is a 3-second window and sufficient capacity must be available to restore system frequency.[24] Has a study been conducted to demonstrate that the Project's quick start generators can sufficiently restore system frequency without the use of BESS or demand response?

In accordance with the State's renewable energy policies and HECO's own IRP, the Project should take into account a holistic view of the Oahu system. Such an approach should consider not only variable generation equipment capabilities but also utility equipment and operating practices.[25] Furthermore, while the policy goal of the Energy Initiatives Task Force is to increase the use of renewable energy, its other stated aim is to increase such use in a fiscally prudent manner, taking into account life-cycle cost-effectiveness.[26] Accordingly, any mitigation measures such as the Project's quick start resource should fit into a holistic, grid-wide strategy to cost effectively mitigate variable power.

As is evident from the above discussion, DBEDT understands that the Army is open to the consideration of other options for the Project that would meet its objects of procuring reliable, cost-effective and renewable energy, and DBEDT supports that effort. To reach that end, however, DBEDT believes it is important to understand how this Project fits with other ongoing developments to facilitate a cumulative understanding of the environmental, economic and policy impacts of this Project. As such, DBEDT discusses some of the various considerations that should be accounted in this process below.

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energy-and-economic-0; *see also* President Obama's Climate Action Plan: http://www.whitehouse.gov/sites/default/files/image/president27sclimateactionplan.pdf. The Army's own goal is to deploy one gigawatt of renewable energy by 2025. http://www.armyeitf.com/.

22 *See* Hawaii Solar Integration Study: Executive Summary, National Renewable Energy Laboratory (June 2013) at 3, available at http://www.nrel.gov/docs/fy13osti/57215.pdf.

23 *Id.*

24 *See* Operating Reserves and Variable Generation, National Renewable Energy Laboratory (August 2011) at 47, available at http://www.nrel.gov/docs/fy11osti/51978.pdf.

25 *See generally*, Hawaii Solar Integration Study: Executive Summary, National Renewable Energy Laboratory at 3.

26 *See* Memorandum re: Energy Goal Attainment Responsibility Policy for Installations, Department of the Army, Assistant Secretary of the Army (Installations, Energy and Environment (August 24, 2012) at 3.

C. *Other Proceedings, Developments and Considerations Should Inform the Review of the Project*

The Project is proposed to be operated to "meet load and reliability requirements" of the Oahu grid, and to help maintain "grid stability as the amount of power from variable renewable sources (wind and solar) increases over time."[27] The Project is also proposed as one that would "complement, rather than compete with, other existing and anticipated renewable energy sources in the system."[28] Moreover, the various operating scenarios proposed depend on factors such as whether "demand increases, operations of other generating facilities decline, and/or future renewable resources do not develop."[29] Given that these claimed benefits and scenarios are dependent on various other ongoing developments and factors, DBEDT believes it would be imprudent to consider the Project and the various alternatives in a vacuum. It is also clear that environmental reviews require an expansive view of options and impacts. The following are some of the developments and Hawaii proceedings that could inform the need, cost-effectiveness, environmental impacts and composition of the Project.

This process could be informed by the Reliability Standards Working Group ("RSWG") proceeding in Hawaii PUC Docket No. 2011-0206, which was established to determine how to facilitate the increased use of renewable energy in the islands without compromising grid reliability. The RSWG concluded its work on January 24, 2013. The Independent Facilitator submitted a Final Report on March 13, 2013 and the PUC's selected Technical Review Committee submitted its Report to the Commission in May 2013. The effort of the RSWG resulted in work products and other studies that reflected technical review and recommendations on various factors involved in the consideration, such as ancillary services that can maintain system reliability and better integrate intermittent renewable resources, generation interconnection standard improvements, and methods to reduce renewable generation curtailments.[30] Some recommendations included the initiation of further proceedings. The implementation of the recommendations in those work products and further proceedings would likely influence factors of relevance to the Project's structure and alternative scenarios, such as the enhancement of grid stability, the ability of the system to accommodate new future renewables resources and the likelihood of their development.

Moreover, DBEDT believes that an important consideration is how this Project fits within HECO's overall generation mix. HECO's IRP Report could impact considerations such as load requirements, grid stability, and even the overall cost-impact of the proposed options.[31] In its

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[27] DLNR EISPN at 2:31-38.

[28] *Id.* at 2:38-39.

[29] *Id.* at 3:35-37.

[30] RSWG Independent Facilitator's Final Report, Hawaii PUC Docket No. 2011-0206 (dated March 17, 2013) at 19.

[31] *See Instituting a Proceeding to Investigate Proposed Amendments to the Framework for Integrated Resource Planning*, Decision and Order, Hawaii PUC Docket No. 2009-0108 (March 14, 2011), Revised Framework at Section II.A ("The goal of integrated resource planning is to develop an Action Plan that governs how the utility will meet energy objectives and customer energy needs consistent with state energy policies and goals, while

IRP Report, HECO noted that its first area of focus was to "make every effort to eliminate the dependency on imported oil for power generation."[32] HECO noted that this would involve deactivation or decommissioning of older, oil-fired steam generators, procuring or developing low-cost, fast track utility-scale renewable energy resources, and converting existing generating units to cost effective renewable and lower carbon fuels, including biomass, biofuels, and LNG.[33] Some of the relevant actions proposed for HECO in the IRP Report may impact the consideration of the Project's composition and use. For instance, the IRP Report noted that "[i]f Honolulu units 8 and 9 are deactivated in 2014 and reactivated in 2017, and Waiau units 3 and 4 are deactivated in 2017, CT-1 converted to combined cycle in 2017, Schofield added in 2017, Honolulu decommissioned or retired in 2018, and no other decommissioning of the remaining firm capacity resources, the IRP scenario analysis indicates that there is a possibility of very limited new capacity need after that."[34] This statement appears to be relevant as to the appropriate fuel mix and the consideration of the six hours a day versus twenty-four hours a day scenarios as well as the No Action Alternative described in the Notice.[35] In this regard, DBEDT notes that its view on the various scenarios and No Action Alternative will be guided by a holistic perspective consistent with Hawaii's clean energy policies. Once again, it is important to offer the State's perspective that moving away from oil-based generation is critical to our future.

Other questions that are raised include whether the IRP's proposal to convert HECO's CIP CT-1 located in Campbell Industrial Park from a simple-cycle combustion turbine operating on biodiesel, to a combined-cycle combustion turbine/steam turbine should serve as guidance for the Project or whether HECO could use the biodiesel that currently serves CIP CT-1 to serve the Project.[36] In this regard, HECO noted in its IRP Report that the cost of using biofuels would also be a factor.[37] Additionally, in the Waiver Order, the Hawaii PUC "direct[ed] HECO to address

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providing safe and reliable utility service at reasonable cost, through the development of Resource Plans and Scenarios of possible futures that provide a broader long-term perspective."). In the IRP Docket, DBEDT commented that the PUC should acknowledge the shortcoming in the IRP Report, accept rather than approve the HECO Companies' IRP Report, require the HECO Companies to file for approval prior to implementing specific actions contained in the IRP Action Plans, and establish specific expedited procedures to develop Action Plans that advance the State's clean energy goals. *See, e.g., I/M/O Regarding Integrated Resource Planning*, the Dept. of Business, Economic Development, and Tourism's Reply Comments to Statements of Position in Response to Order No. 31443, Hawaii PUC Docket No. 2012-0036 (filed October 10, 2013) at 3.

32 IRP Report at ES-6.

33 *Id.*

34 *Id.* at 18-35.

35 Notice at 3188. *See also* DLNR EISPN at 3:26-34; 4:44-5:7.

36 *See* IRP Report at 19-6 to 19-7 (where HECO stated, "With the conversion of CIP CT-1 to combined cycle and adding the capability to burn ULSD and/or LNG with approval of the Commission, the biodiesel that would have been consumed at CIP CT-1 could then be used at this Schofield Generating Station. The Schofield Generating Station is designed to operate at a heat rate (i.e., fuel efficiency) approximately equivalent to that for CIP CT-1 in a combined cycle mode, and approximately twice as efficient as CIP CT-1 in a simple cycle mode. If the biodiesel originally intended for CIP CT-1 were to be deployed at the Schofield Generating Station it would contribute to the Companies' attainment of RPS.").

37 *Id.* at 19-6 (where HECO claimed, "if biodiesel prices are high in the future, a fuel switch to a lower price fuel, such as ULSD or LNG, would be more cost effective. Under a future with lower cost biodiesel, keeping CIP CT-1 on biodiesel is the best option.").

in any subsequent application relating to the Project, the reasonableness of exclusively using biofuels for the Project."[38] DBEDT acknowledges the PUC's concerns with the potential cost impacts and also recognizes that biofuels may serve well in the power generation market through existing contracts, such that other options from the "all-of-the-above" strategy may also need to be explored. The mix of biofuels and diesel as proposed for this Project could impact the provision of cost-effective, reliable and clean energy to the Army and other ratepayers within the State. DBEDT requests that HECO and the Army take these factors into account as they consider next steps for studying this Project.[39] As noted above, we are concerned that an unlimited reliance on oil-based diesel is inconsistent with Hawaii's statutes, Hawaii clean energy policy and direction from the Army.

HECO also asserted in the IRP Report that the electrical output from the Project "will normally supply power to all Oahu customers through the Oahu electrical grid. However, during outages that meet the criteria specified in an operating agreement with the Army, [Project] output will be "islanded" to serve only the Army facilities at Schofield Barracks, Wheeler Army Air Field, and Field Station Kunia."[40] There is a need for further information and study on the extent of the need for the facility by Oahu customers currently and to the extent other actions proposed in the IRP Report, technologies, rules, policies or procedures are implemented, including those stemming from the other proceedings discussed in these comments. Similarly, while the IRP Report asserted that the Project's attributes would "enable increased integration of intermittent renewable resources on the Oahu grid (and minimize the potential for energy curtailment,"[41] it is not clear the extent to which these benefits would be realized and how the other potential regulatory requirements discussed herein, among others, would provide similar benefits.

Another salient consideration for this Project is the State legislation and pending investigation into the viability of an inter-island cable.[42] DBEDT believes that the Oahu-Maui interisland marine electric transmission cable that is currently under investigation by the PUC is anticipated to facilitate greater renewable energy development that will displace current fossil generation and reduce the need to develop future fossil generation. Not only did DBEDT's economic analysis demonstrate that the benefits of the inter-island cable would outweigh the costs, DBEDT's analysis found that the inter-island cable would have other benefits such as increasing flexibility in siting new renewable generation, reducing curtailment of renewable generation and providing direct health benefits associated with reduced air emissions of filterable particulate matter,

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38 Waiver Order at 14, n.15.

39 DBEDT also concurs in the other items that the PUC found HECO would need to address in any subsequent application filed related to the Project, such as: (1) the scope and cost of the Project, including as to the size and capacity of the 50 MW Project; (2) whether HECO can provide cost containment for the Project to avoid ratepayers having to pay for cost overruns; and (3) whether reasonable alternatives to the Project were given adequate consideration during the development of the Project. *Id.* at 14-15.

40 IRP Report at 18-17.

41 *Id.* at ES-19.

42 H.R.S. §§ 269-131 to -135, *et seq.*

carbon dioxide, nitrogen oxides and sulfur dioxide.[43] DBEDT's analysis also found that connecting the Oahu and Maui electric systems with a high voltage direct current transmission cable would accommodate transmission of power and ancillary services in both directions and allow the two systems to operate in a coordinated fashion, which would improve the power system economics and reliability on both islands. The construction of such an inter-island cable could have a significant impact on the generation mix in Oahu. This in turn, could potentially reduce the risk of frequency of loss of service to the Army from the other sources of electricity.

Thus, DBEDT submits that the various considerations described above, among others, would have an impact on the Project and any future studies should be reviewed in context with those other developments.

D. It is Imperative to Balance Technical, Economic, Environmental, and Cultural Considerations in the Joint EIS

DBEDT appreciates that the Notice provides that the EIS is designed to meet NEPA and HEPA requirements, and that the Army is preparing supporting studies for key resources of concern include air quality, traffic and stormwater.[44] The DLNR EISPN also lists several impact categories that have been tentatively identified for consideration in the EIS.[45] DBEDT submits that it is imperative to balance technical, economic, environmental, and cultural considerations in the Joint EIS.[46] Although the DLNR EISPN identifies some of these concerns, the Joint EIS should fully address the following:

- Technical Considerations: DBEDT has raised some technical considerations above that should be explored in the Joint EIS. In addition, various statements in the DLNR EISPN require further support and study. For instance, the Project proponents should provide support for its statement that the Project would allow the grid to accommodate more fluctuating renewable energy than would otherwise be the case.[47] It is not clear what assumptions are being used (*e.g.*, high or low renewable penetration) in making this statement. The DLNR EISPN also describes two ways in which it expects the penetration of renewable resources to change the load curve.[48] Have the Project proponents completed a study to support these conclusions? If so, what inputs and assumptions were used?

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43 *I/M/O Public Utilities Comm'n Opening a Proceeding to Investigate Whether an Oahu-Maui Interisland Transmission System May Be in the Public Interest*, Initial Public Comments of the Dept. of Business, Economic Development and Tourism in Response to Order No. 31356, Hawaii PUC Docket No. 2013-0169 (filed September 9, 2013) at 6.

44 Notice at 3187-3188.

45 DLNR EISPN at 5:12-42.

46 *See* State of Hawaii Energy Resources Coordinator's Annual Report 2013 at 3 (explaining that the Abercrombie Administration has focused the next phase of Hawaii's energy transformation on five principles, including "[b]alancing technical, economic, environmental, and cultural considerations.").

47 DLNR EISPN at 3:28-29.

48 *Id.* at 3:18-25.

- Economic Considerations: The Army provides critical national security and first responder services. The continued and stable operation of those services is an important state interest.[49] At the same time, the Army has an interest in pursuing cost-effective solutions, and the Joint EIS should consider alternatives that will be more cost-effective for the Army and all other HECO ratepayers. This analysis should not be done in isolation but rather should consider multiple scenarios, such as high or low load forecasts, high or low renewable penetration, high or low biofuel prices, fuel diversity, etc. The Joint EIS should consider that significant price fluctuations in oil have had harmful effects on Hawaii's ability to meet its diversification goals and highly negative economic consequences. These fluctuations cost jobs, hurt businesses, and ultimately harm consumers, including military service members who live on Oahu. In addition, the DLNR EISPN makes claims that "since the [Project] would be multi-fuel capable, it would be able to run on a combination of fuels as necessary to ensure operations are economically viable and can continue under adverse operating conditions."[50] The Joint EIS should define "economically viable" and present the incremental cost of using biofuels versus other fuels for the generators to support its claim that the multi-fuel capability option is economically viable. The Joint EIS should consider the fluctuation of diesel prices over time[51] as well as the transportation costs of diesel as well.

- Environmental Concerns: The DLNR EISPN states that the six biofuel-capable reciprocating engine-generator sets would add 50 MW of firm, utility-owned renewable energy capacity to the Oahu electrical grid.[52] As discussed above, this claim ignores the fact that, as currently proposed, the Project would also rely on diesel. Reliance on diesel fuel, as opposed to cleaner and greener energy sources that would help control greenhouse gas emissions, does not advance Hawaii's and the Army's renewable goals.

- Cultural Concerns: The DLNR EISPN generally states that the EIS should consider cultural and historical resources (including Native Hawaiian resources), but does not specifically identify which resources will be impacted by the Project. Project proponents should coordinate with other agencies, including the Office of Hawaiian Affairs, the National Park Service, the Hawaii Island Burial Council, the State Historic Preservation Division, and the Historic Hawaii Foundation, among others, to determine which cultural and historical resources are of concern on the Schofield Barracks and Wheeler Army Airfield. The Joint EIS should take steps to ensure that historical, archaeological, and architectural sites are sufficiently protected. DBEDT appreciates the statement in the

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[49] DBEDT acknowledges the Army's assertion that the Project would provide an energy security service to Schofield Barracks, Wheeler Army Airfield and, and Field Station Kunia if loss of service occurs from the normal sources of electricity supporting these installations. Notice at 3188.

[50] DLNR EISPN at 5:15-17.

[51] Biofuels Study Final Report to the Legislature in Accordance with Act 2013, Session Laws of Hawaii, State of Hawaii, Department of Business, Economic Development & Tourism at 5 (December 2012) (showing that fuel oil prices paid by Hawaii's electric utilities have varied from $59/barrel up to $120/barrel from 2006-2011).

[52] DLNR EISPN at 2:34-35.

Notice providing that the Army intends to integrate the NEPA process with the consultation and public participation requirements of Section 106 of the National Historic Preservation Act.[53]

These considerations must not be viewed in isolation but rather the Joint EIS should balance these interests.

II. Conclusion

The concerns raised herein demonstrate that the Project as currently proposed would not be in the best interests of the State, the Army and other Hawaii ratepayers. As such, DBEDT supports review of other alternatives that would better serve the State's energy policy and the energy security and economic interests of the State and the Army and consideration of other developments, proceedings and other factors that would inform the review of the Project.

We appreciate the opportunity to provide these comments for use in the preparation of the Joint EIS and DBEDT formally requests to be added to the EIS distribution list. If you have any questions, please feel free to contact me at (808) 587-3812 or mark.b.glick@dbedt.hawaii.gov.

Sincerely,

Mark B. Glick
Energy Administrator

[53] Notice at 3187.

EISPN COMMENTS

HAWAII RENEWABLE RESOURCES, LLC

January 24, 2014

Mr. William Aila, Chairman
Department of Land and Natural Resources
1151 Punchbowl St., Room 131
Honolulu, HI 96813

Ms. Melissa DeSantis,
Tetra Tech, Inc.
10306 Eaton Place, Suite 340,
Fairfax VA 22030

Re: SGSP EISPN

Dear Mr. Aila and Ms. DeSantis:

Hawaii Renewable Resources (HRR) is in the process of receiving a long term lease and is committed to constructing an animal feed mill and biogas production facility to be located on State Department of Agriculture land (TMK No.: 9-4-012:01 and 9-4-012:03). This TMK is adjacent to the proposed site of the HECO Schofield Generating Station Project.

We have read the above-referenced EISPN with great interest because it directly impacts our operations. Our specific comments and concerns are detailed below for your consideration.

- The proposed power line easement and power poles P1 –P3 located on and across our TMK would withdraw essential land from our facility for production equipment and buildings.
- The operation of the SGSP will negatively impact the operation of our facility for processing agricultural products and foods into animal feeds and biogas.
- Access to our site will be more limited.

We request to be consulted with regard to the design and operating characteristics of the proposed SGSP. We would be happy to meet with appropriate personnel at your convenience and look forward to constructive discussions.

Sincerely,

Valentine Peroff

cc: Scott Enright
Jimmy Nakatani

Mr. Valentine Peroff
Hawaii Renewable Resources, LLC
99-1324 Koaha Place
Aiea, Hawai'i 96701-3200

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Peroff:

Thank you for your January 24th 2014 letter concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. With respect to the request for a meeting contained in the last paragraph of your letter, we would be happy to meet with you. However, as all of the issues that you indicated an interest in discussing have to deal with land that is owned by the State of Hawai'i, we believe that such a meeting should include representatives of the State Department of Agriculture and the State Department of Land and Natural Resources as well. Please call me at (808) 543-4088 and I will try to help set up a meeting time/place.

In addition to your more general request for consultation, your letter also contained several specific "bulleted" statements that we believe it best to address at this time. Those comments are reproduced below, followed by brief responses that I hope will be helpful going forward.

Comment:

> *The proposed power line easement and power poles P1 —P3 located on and across our TMK would withdraw essential land from our facility for production equipment and buildings.*

Response: The first paragraph of your letter states that: *"Hawaii Renewable Resources (HRR) is in the process of receiving a long term lease and is committed to constructing an animal feed mill and biogas production facility to be located on State Department of Agriculture land (TMK No.: 9-4-012:01 and 9-4-012:03)."*

Hawaiian Electric has been discussing its proposed project with State agencies for many months now but had not heard of any plans for construction of the facility you outlined in your letter. As soon as we received your remarks we contacted the Department of Land and Natural Resources Office of Conservation and Coastal Lands (DLNR/OCCL) who is handling the EIS process. OCCL in turn spoke with the asset manager in the Department of Agriculture (DoA) who responsible for this site. OCCL informed me that the DoA reported no lease application was on record for the TMK under discussion.

April 1, 2014

Comment:

The operation of the SGSP will negatively impact the operation of our facility for processing agricultural products and foods into animal feeds and biogas.

Response: Hawaiian Electric understands that you are concerned that the operation of the Schofield Generating Station might in some way adversely affect the viability of the operation that you are contemplating. However, as your letter provided no information about the design or operational characteristics of your facilities, it is impossible for us to understand how that might occur. Without such information, it is impossible to address them specifically in the environmental impact statement.

The EIS will, of course, discuss the potential effects on the existing environment of all of the elements that are part of the project. You will have the opportunity to offer your comments on the Draft Environmental Impact Statement (DEIS) during the public comment period.

Comment:

Access to our site will be more limited.

Response: As indicated earlier in this letter, your comments do not contain a physical description of your proposed facilities or of the way in which you propose to operate them. Without those, it is not possible to know what kind of "access limitations" may be of concern. Unless you are able to provide additional information we will not be able to address this concern in the DEIS.

If you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

DEPARTMENT OF DESIGN AND CONSTRUCTION
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET, 11TH FLOOR
HONOLULU, HAWAII 96813
Phone: (808) 768-8480 • Fax: (808) 768-4567
Web site: www.honolulu.gov

KIRK CALDWELL
MAYOR

CHRIS T. TAKASHIGE, P.E., CCM
DIRECTOR

MARK YONAMINE, P.E.
DEPUTY DIRECTOR

February 5, 2014

Hawaiian Electric
P.O. Box 2750
Honolulu, Hawaii 96840

Attn: Jack Shriver

Dear Mr. Shriver:

Subject: Schofield Generating Station Project Environmental Impact Statement Preparation Notice (EISPN)

The Department of Design and Construction does not have any comments to offer on the preparation of the environmental impact statement preparation.

Thank you for the opportunity to review and comment. Should there be any questions, please contact me at 768-8480.

Sincerely,

for M. Yonamine

Chris T. Takashige, P.E., CCM
Director

CTT: cf (546289)

April 1, 2014

Mr. Chris T. Takashige, Director
Department of Design and Construction
City and County of Honolulu
650 South King Street, 11th Floor
Honolulu, Hawai'i 96813

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Takashige:

Thank you for your February 5th 2014 letter concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. We appreciate the time that you and your staff spent reviewing the EISPN and responding.

We understand that you have no comments to offer at this time. If you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

POLICE DEPARTMENT

CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813
TELEPHONE: (808) 529-3111 · INTERNET: www.honolulupd.org

KIRK CALDWELL
MAYOR

LOUIS M. KEALOHA
CHIEF

DAVE M. KAJIHIRO
MARIE A. McCAULEY
DEPUTY CHIEFS

OUR REFERENCE EO-WS

January 29, 2014

Mr. William J. Aila, Jr., Chairperson
Office of Conservation and Coastal Lands
Department of Land and Natural Resources
P.O. Box 621
Honolulu, Hawaii 96809

Dear. Mr. Aila:

This is in response to letters from Mr. Jack Shriver of the Hawaiian Electric Company (dated January 8, 2014) and Ms. Amanda Simpson of the Energy Initiatives Task Force, Department of the Army (dated January 9, 2014), requesting comments on the Environmental Impact Statement Preparation Notice for the proposed Schofield Generating Station project located in Wahiawa.

The Honolulu Police Department (HPD) has no major concerns at this time regarding the project. However, there may be concerns with traffic issues in the area of the Schofield Barracks' Lyman Gate during the construction phase. The HPD would like to be consulted when the environmental impact statement is published to reassess the project's impact on police operations.

If there are any questions, please contact Acting Major Larry Lawson of District 2 (Wahiawa) at 723-8703 or via e-mail at llawson@honolulu.gov.

Sincerely,

LOUIS M. KEALOHA
Chief of Police

By RLK. Macadangdang
RANDAL K. MACADANGDANG
Assistant Chief
Support Services Bureau

cc: Mr. Jack Shriver, Hawaiian Electric Company
Ms. Melissa DeSantis, Tetra Tech, Inc.

April 1, 2014

Mr. Louis M. Kealoha, Chief of Police
Honolulu Police Department
City and County of Honolulu
801 South Beretania Street
Honolulu, Hawai'i 96813

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Chief Kealoha:

Thank you for your January 29th 2014 letter (Ref. EO-WS) to the State of Hawai'i Department of Land and Natural Resources (DLNR) concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. Because Hawaiian Electric is the applicant seeking the Department's approval for the proposed project, DLNR has asked that we respond.

Let me begin by saying that we are grateful for the time that you and your staff spent reviewing the EISPN and responding. We appreciate your confirmation that the Honolulu Police Department (HPD) does not have any major concerns regarding the project at this time.

As you pointed out, traffic may be a concern, and the Draft Environmental Impact Statement (DEIS) for the Schofield Generating Station Project will address the effect that the proposed project will have on traffic in the vicinity of the Lyman Gate entrance to Schofield Barracks and elsewhere during the construction phase of the proposed project. It will also discuss the effect that the construction and operation of the proposed facility is likely to have on police operations.

Hawaiian Electric will provide a copy of the forthcoming DEIS to your department for additional review and comment as soon as it becomes available.

In the meantime, if you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force
Acting Major Larry Lawson, Honolulu Police Department, District 2

HISTORIC HAWAI'I FOUNDATION
1974 ► 2014

January 29, 2014

Hawaiian Electric, Co.
ATTN: Jack Shriver, Project Management
PO Box 2750
Honolulu, HI 96840-0001

RE: Schofield Generating Station Project (SGSP) Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Shriver:

Thank you for referring the above project to Historic Hawai'i Foundation for pre-assessment consultation, review and comment. Since 1974, Historic Hawai'i Foundation (HHF) has been a statewide leader for historic preservation. HHF's mission is to preserve and encourage the preservation of Hawaii's historic buildings, sites, objects and communities.

The proposed project consists of three elements including the Hawaiian Electric Company's construction, maintenance, ownership, and operation of a power plant located at Schofield with a transmission line to the existing Wahiawā Substation. The other elements include the lease of the land for the power plant from the Army to Hawaiian Electric, as well as an easement for the transmission line. Additionally the Department of Land and Natural Resources will also grant an easement and conservation district authorization for the remaining portion of the transmission line.

Hawaiian Electric provided Historic Hawai'i Foundation with an Environmental Impact Statement Preparation Notice which included correspondence from Hawaiian Electric with attachments including DLNR EISPN for SGSP, ARMY NOI for SGSP, and Notice for Public Scoping Meetings. HHF understands that the Department of the Army determined the proposed project is subject to the National Environmental Policy Act. Furthermore, the Department of Land and Natural Resources determined the proposed project is subject to HRS Chapter 343 and that an Environmental Impact Statement (EIS) should be prepared. As noted in the EISPN, the EIS will evaluate the potential environmental, cultural, and socioeconomic impacts of the proposed project including the cultural and historic resources (including Native Hawaiian Resources).

HHF would like to remain a participant in the consultation process for both the EIS and Section 106 consultation under the National Historic Preservation Act. Please include our organization in further correspondence.

Thank you for the opportunity to comment.

Very truly yours,

Kiersten Faulkner, AICP
Executive Director

680 Iwilei Road, Suite 690 / Honolulu, Hawai'i 96817 / Tel (808) 523-2900 / Fax (808)523-0800
Email preservation@historichawaii.org / Web www.historichawaii.org

April 1, 2014

Ms. Kiersten Faulkner, Executive Director
Historic Hawai'i Foundation
680 Iwilei Road, Suite 690
Honolulu, Hawai'i 96817

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Ms. Faulkner:

Thank you for your January 29, 2014, letter concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. We appreciate the time that you and your staff spent reviewing the EISPN and preparing your response.

As you requested in your letter, we will include Historic Hawai'i Foundation in the consultation process and include you in further correspondence.

If you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

Neil Abercrombie
GOVERNOR OF HAWAII

Gary L. Gill
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File: EHA/HEER Office
14-030-JIN

January 23, 2014

Mr. Alex J. Roy
Department of Land and Natural Resources
Office of Conservation and Coastal Lands
Kalanimoku Building Room 131
1151 Punchbowl Street
Honolulu, HI 96809

Facility/Site: Schofield Generation Station Project

Subject: Comments for ENVIRONMENTAL IMPACT STATEMENT PREPARATION NOTICE (EISPN) FOR THE PROPOSED SCHOFIELD GENERATION STATION PROJECT

Dear Mr. Roy:

The Hawaii Department of Health (HDOH) Hazard Evaluation and Emergency Response (HEER) Office has reviewed the above referenced document and has the following comments:

The proposed site for the Schofield Generation Station Project crosses the Schofield Military installation across areas known for multiple petroleum and other chemical releases. Many of these areas have been investigated and cleaned up or being managed safely on site. DOH recommends the developer work with closely with the Army to identify areas where ground disturbing activities may impact areas of historic soil or groundwater contamination. Information gathered from the Army and their inventory of areas with Land Use Controls may be used to identify areas of known contamination. These data can then be used to develop an Environmental Hazard Management Plan for Construction Activities to protect worker safety, ensure proper management of contaminated soils and ensure the long term protection of both human health and the environment during any soil disturbing activities.

The HDOH kindly asks that you address the above comments prior to beginning construction of the project. Should you have any questions, please contact me at 586-0958 or at jordan.nakagawa@doh.hawaii.gov.
Sincerely,

Jordan Nakagawa, Project Manager
Site Discovery, Assessment, and Remediation Section
Hazard Evaluation and Emergency Response Office

C: Environmental Planning Office

April 1, 2014

Mr. Jordan Nakagawa, Project Manager
Site Discovery, Assessment, and Remediation Section
Hazard Evaluation and Emergency Response Office
Department of Health
State of Hawai'i
P.O. Box 3378
Honolulu, Hawai'i 96801-3378
jordan.nakagawadoh.hawaii.gov

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Nakagawa:

Thank you for your January 23rd 2014 letter (Reference EHA/HEER Office 14-030-JIN) to the State of Hawai'i Department of Land and Natural Resources (DLNR) concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. Because Hawaiian Electric is the applicant seeking approval for the proposed project, DLNR has asked that we respond.

We appreciate the information you provided regarding past releases of petroleum and other chemicals at Schofield Barracks. Hawaiian Electric has carefully coordinated its plans with the Army to ensure that ground-disturbing activities related to the Schofield Generating Station Project do not impact areas of historic soil or groundwater contamination, and we will further assess the site to confirm there is no contamination. If any contamination is found, we will follow approved environmental hazard management procedures throughout the construction phase of the project, thereby protecting worker safety, ensuring proper management of contaminated soils, and protecting both human health and the environment during all soil-disturbing activities.

If you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

NEIL ABERCROMBIE
GOVERNOR OF HAWAII

GARY L. GILL
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
File:
14-015
EISPN SGSP

January 27, 2014

Mr. Alex J. Roy
Department of Land and Natural Resources
Office of conservation and Coastal Lands
P.O. Box 621
Honolulu, Hawaii

Dear Mr. Roy:

SUBJECT: Environmental Impact Statement Preparation Notice for the Proposed Schofield Generating Station Project, Wahiawa District, Island of Oahu

The Department of Health (DOH), Environmental Planning Office (EPO), acknowledges receipt of your document through the Office of Environmental Quality's "The Environmental Notice" dated January 8, 2014. Thank you for allowing us to review and comment on the subject document. The document was routed to DOH's Clean Air Branch, Clean Water Branch, Indoor R& Radiological Health Branch, Solid and Hazardous Waste Branch, and the Hazard Evaluation & Emergency Response Office. They will provide specific comments to you if necessary. EPO recommends that you review the Standard Comments found on our website: http://health.hawaii.gov/epo/home/landuse-planning-review-program.
You are required to adhere to all Standard Comments specifically applicable to this application.

EPO suggests that you examine the many sources available on strategies to support the sustainable and healthy design of communities and buildings, including the:
State of Hawaii, Office of Planning: www.planning.hawaii.gov and the new 2013 ORMP;
U.H., School of Ocean and Earth Science and Technology: www.soest.hawaii.edu;
U.S. Health and Human Services: www.hhs.gov/about/sustainability;
U.S. Environmental Protection Agency's sustainability programs: www.epa.gov/sustainability;
U.S. Green Building Council's LEED program: www.usgbc.org/leed; and
International Well Building Standard: http://delosliving.com

The DOH encourages everyone to apply these sustainability strategies and principles early in the planning and review of projects. We also request that for future projects you consider conducting a Health Impact Assessment (HIA). More information is available at: www.cdc.gov/healthyplaces/hia.htm. We request you share all of this information with others to increase community awareness on sustainable, innovative, inspirational, and healthy community design.

We request electronic response confirming receipt of this letter and any other letters you receive from DOH in regards to this project. Please email: epo@doh.hawaii.gov. We anticipate that our letter(s) and your electronic response(s) will be included in the final document. If you have any questions, please contact me at (808) 586-4337 or laura.mcintyre@doh.hawaii.gov

Mahalo,

Laura Leialoha Phillips McIntyre, AICP
Program Manager, Environmental Planning Office

April 1, 2014

Ms. Laura Leialoha Phillips McIntyre, Program Manager
Environmental Planning Office
Department of Health
State of Hawai'i
P.O. Box 3378
Honolulu, Hawai'i 96801-3378

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Ms. McIntyre:

Thank you for your January 27, 2014, letter (Reference 14-015 EISPN SGSP) to the State of Hawai'i Department of Land and Natural Resources (DLNR) concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. Because Hawaiian Electric is the applicant seeking approval for the proposed project, DLNR has asked that we respond.

Hawaiian Electric appreciates your routing the EISPN to the Clean Air Branch, Clean Water Branch, Indoor and Radiological Health Branch, Solid and Hazardous, Waste Branch, and the Hazard Evaluation and Emergency Response Office. We will respond to their separate comments as appropriate. The company is familiar with the "Standard Comments" found on the Department of Health's website, and it will make sure that those that apply are addressed in the Draft Environmental Impact Statement (DEIS). The company and its partners attempt to follow sustainable design strategies wherever possible, including those described in the sources you list. Moreover, in accordance with NEPA guidelines the forthcoming Draft Environmental Impact Statement (DEIS) will evaluate the potential for health effects as a part of the overall environmental impact review process.

We will provide you with a copy of the DEIS when it becomes available. In the meantime, if you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force
Department of Health (DOH), Environmental Planning Office (EPO)

NEIL ABERCROMBIE
GOVERNOR OF HAWAII

GARY L. GILL
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
EMD/CWB

01078PCTM.14

January 24, 2014

Mr. Alex J. Roy
Department of Land and Natural Resources
Office of Conservation and Costal Lands
P.O. Box 621
Honolulu, Hawaii 96809

Dear Mr. Roy:

SUBJECT: Comments on the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Station Project Waihiawa, Island of Oahu, Hawaii

The Department of Health (DOH), Clean Water Branch (CWB), acknowledges receipt of your letter, received December 23, 2013, requesting comments on your project. The DOH-CWB has reviewed the subject document and offers these comments. Please note that our review is based solely on the information provided in the subject document and its compliance with the Hawaii Administrative Rules (HAR), Chapters 11-54 and 11-55. You may be responsible for fulfilling additional requirements related to our program. We recommend that you also read our standard comments on our website at: http://health.hawaii.gov/epo/files/2013/10/CWB_Oct22.pdf

1. Any project and its potential impacts to State waters must meet the following criteria:

   a. Antidegradation policy (HAR, Section 11-54-1.1), which requires that the existing uses and the level of water quality necessary to protect the existing uses of the receiving State water be maintained and protected.

   b. Designated uses (HAR, Section 11-54-3), as determined by the classification of the receiving State waters.

   c. Water quality criteria (HAR, Sections 11-54-4 through 11-54-8).

2. National Pollutant Discharge Elimination System (NPDES) permit coverage is required for pollutant discharges into State surface waters and for certain situations involving storm water (HAR, Chapter 11-55).

   a. Discharges into Class 2 or Class A State waters can be covered under an NPDES general permit only if all of the NPDES general permit requirements are met. Please see the DOH-CWB website (http://health.hawaii.gov/cwb/) for the

NPDES general permits and instructions to request coverage.

b. All other discharges into State surface waters and discharges into Class 1 or Class AA State waters require an NPDES individual permit. To request NPDES individual permit coverage, please see the DOH-CWB forms website located at: http://health.hawaii.gov/cwb/site-map/clean-water-branch-home-page/forms/

c. NPDES permit coverage for storm water associated with construction activities is required if your project will result in the disturbance of one (1) acre or more of total land area. The total land area includes a contiguous area where multiple separate and distinct construction activities may be taking place at different times on different schedules under a larger common plan of development or sale. NPDES permit coverage is required before the start of the construction activities.

   Land disturbance includes, but is not limited to clearing, grading, grubbing, uprooting of vegetation, demolition (even if leaving foundation slab), staging, stockpiling, excavation into pavement areas which go down to the base course, and storage areas (including areas on the roadway to park equipment if these areas are blocked off from public usage, grassed areas, or bare ground).

3. If your project involves work in, over, or under waters of the United States, it is highly recommend that you contact the Army Corp of Engineers, Regulatory Branch (Tel: 438-9258) regarding their permitting requirements.

   Pursuant to Federal Water Pollution Control Act [commonly known as the "Clean Water Act" (CWA)], Paragraph 401(a)(1), a Section 401 Water Quality Certification (WQC) is required for "[a]ny applicant for Federal license or permit to conduct any activity including, but not limited to, the construction or operation of facilities, which may **result** in any discharge into the navigable waters..." (emphasis added). The term "discharge" is defined in CWA, Subsections 502(16), 502(12), and 502(6); Title 40 of the Code of Federal Regulations, Section 122.2; and Hawaii Administrative Rules (HAR), Chapter 11-54.

4. Please note that all discharges related to the project construction or operation activities, whether or not NPDES permit coverage and/or Section 401 WQC are required, must comply with the State's Water Quality Standards. Noncompliance with water quality requirements contained in HAR, Chapter 11-54, and/or permitting requirements, specified in HAR, Chapter 11-55, may be subject to penalties of $25,000 per day per violation.

If you have any questions, please visit our website at: http://health.hawaii.gov/cwb, or contact the Engineering Section, CWB, at (808) 586-4309.

Sincerely,

ALEC WONG, P.E., CHIEF
Clean Water Branch

CTM:tg

c: DOH-EPO #14-015 [via email only]

April 1, 2014

Mr. Alec Wong, Chief
Clean Water Branch
Department of Health
State of Hawai'i
P.O. Box 3378
Honolulu, Hawai'i 96801-3378

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Wong:

Thank you for your January 24th 2014 letter (Reference 01078PCTM.14) to the State of Hawai'i Department of Land and Natural Resources (DLNR) concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. Because Hawaiian Electric is the applicant seeking approval for the proposed project, DLNR has asked that we respond.

Hawaiian Electric understands that it must comply with the provisions of Hawai'i Administrative Rules §11-54 and 11-55, and appreciates the information you provided regarding antidegradation, designated uses, and water quality criteria. We recognize that National Pollutant Discharge Elimination System (NPDES) permit coverage is required for certain storm water discharges and anticipate that we will require one before proceeding with development of the approximately 10-acre site. We do not expect to undertake work that will require an Army Corps of Engineers permit or a Section 401 Water Quality Certification.

We will provide the Department copies of the Draft Environmental Impact Statement when it is available, and you will have an opportunity to provide additional comments at that time. If, in the meantime you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

United States Department of Agriculture

NRCS

Natural Resources Conservation Service
P.O. Box 50004 Rm. 4-118
Honolulu, HI 96850
808-541-2600

February 4, 2014

Tetra Tech, Inc.
Melissa DeSantis (SGSP EIS)
10306 Eaton Place, Ste. 340
Fairfax, VA 22030

Dear Ms. DeSantis,

Thank you for providing the United States Department of Agriculture-Natural Resources Conservation Service (USDA-NRCS) the opportunity to review the status of lands that will be affected by the proposed construction of a biofuel-capable power generation plant on lease land within Schofield Barracks Military Reserve, Mililani, Hawaii. We confine our comments to issues within the purview of NRCS, specifically those related to soil properties that are typically used to assess the quality of land for agricultural uses.

Upon review of the provided Environmental Impact Statement Preparation Notice, we find that the soils within the project area – roughly 10 acres – are classified as "Prime Farmland if Irrigated" in the latest Soil Survey, available through the Web Soil Survey online database interface (http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm). Projects receiving federal funding and to be built on open land that is not considered within urbanized areas, such as this project area, are subject to the Farmland Protection Policy Act [FPPA, subtitle I of Title XV, Section 1539-1549 of the Agriculture and Food Act of 1981 (Public Law 97-98)] and will require that a USDA Form AD-1006 – Farmland Conversion Impact Rating – be completed as part of the Environmental Assessment process. A copy of this form and instructions are attached.

If you have any questions concerning the soils and related quality and suitability ratings for this project area, please contact Dr. Cynthia Stiles, Assistant State Soil Scientist, by phone (808) 541-2600 x129 or email cynthia.stiles@hi.usda.gov.

Sincerely,

Christine S. Clarke

Christine S. Clarke
Acting Director
Pacific Islands Area

Enclosure:

cc: Richard Patterson, District Conservationist, Aiea, Hawaii
Cynthia Stiles, Asst. State Soil Scientist, Honolulu, Hawaii

U.S. Department of Agriculture

FARMLAND CONVERSION IMPACT RATING

PART I *(To be completed by Federal Agency)*	Date Of Land Evaluation Request
Name Of Project	Federal Agency Involved
Proposed Land Use	County And State

PART II *(To be completed by NRCS)*		Date Request Received By NRCS	
Does the site contain prime, unique, statewide or local important farmland? *(If no, the FPPA does not apply -- do not complete additional parts of this form).* Yes ☐ No ☐		Acres Irrigated	Average Farm Size
Major Crop(s)	Farmable Land In Govt. Jurisdiction Acres: %	Amount Of Farmland As Defined in FPPA Acres: %	
Name Of Land Evaluation System Used	Name Of Local Site Assessment System	Date Land Evaluation Returned By NRCS	

PART III *(To be completed by Federal Agency)*	Alternative Site Rating			
	Site A	Site B	Site C	Site D
A. Total Acres To Be Converted Directly				
B. Total Acres To Be Converted Indirectly				
C. Total Acres In Site	0.0	0.0	0.0	0.0
PART IV *(To be completed by NRCS)* Land Evaluation Information				
A. Total Acres Prime And Unique Farmland				
B. Total Acres Statewide And Local Important Farmland				
C. Percentage Of Farmland In County Or Local Govt. Unit To Be Converted				
D. Percentage Of Farmland In Govt. Jurisdiction With Same Or Higher Relative Value				
PART V *(To be completed by NRCS)* Land Evaluation Criterion Relative Value Of Farmland To Be Converted *(Scale of 0 to 100 Points)*	0	0	0	0

PART VI *(To be completed by Federal Agency)* Site Assessment Criteria *(These criteria are explained in 7 CFR 658.5(b)*	Maximum Points				
1. Area In Nonurban Use					
2. Perimeter In Nonurban Use					
3. Percent Of Site Being Farmed					
4. Protection Provided By State And Local Government					
5. Distance From Urban Builtup Area					
6. Distance To Urban Support Services					
7. Size Of Present Farm Unit Compared To Average					
8. Creation Of Nonfarmable Farmland					
9. Availability Of Farm Support Services					
10. On-Farm Investments					
11. Effects Of Conversion On Farm Support Services					
12. Compatibility With Existing Agricultural Use					
TOTAL SITE ASSESSMENT POINTS	160	0	0	0	0
PART VII *(To be completed by Federal Agency)*					
Relative Value Of Farmland *(From Part V)*	100	0	0	0	0
Total Site Assessment *(From Part VI above or a local site assessment)*	160	0	0	0	0
TOTAL POINTS *(Total of above 2 lines)*	260	0	0	0	0

Site Selected:	Date Of Selection	Was A Local Site Assessment Used? Yes ☐ No ☐

Reason For Selection:

This form was electronically produced by National Production Services Staff

STEPS IN THE PROCESSING THE FARMLAND AND CONVERSION IMPACT RATING FORM

Step 1 – Federal agencies involved in proposed projects that may convert farmland, as defined in the Farmland Protection Policy Act (FPPA) to nonagricultural uses, will initially complete Parts I and III of the form.

Step 2 – Originator will send copies A, B and C together with maps indicating locations of site(s), to the Natural Resources Conservation Service (NRCS) local field office and retain copy D for their files. (Note: NRCS has a field office in most counties in the U.S. The field office is usually located in the county seat. A list of field office locations are available from the NRCS State Conservationist in each state).

Step 3 – NRCS will, within 45 calendar days after receipt of form, make a determination as to whether the site(s) of the proposed project contains prime, unique, statewide or local important farmland.

Step '4 – In cases where farmland covered by the FPPA will be converted by the proposed project, NRCS field offices will complete Parts II, IV and V of the form.

Step 5 – NRCS will return copy A and B of the form to the Federal agency involved in the project. (Copy C will be retained for NRCS records).

Step 6 – The Federal agency involved in the proposed project will complete Parts VI and VII of the form.

Step 7 – The Federal agency involved in the proposed project will make a determination as to whether the proposed conversion is consistent with the FPPA and the agency's internal policies.

INSTRUCTIONS FOR COMPLETING THE FARMLAND CONVERSION IMPACT RATING FORM

Part I: In completing the "County And State" questions list all the local governments that are responsible for local land controls where site(s) are to be evaluated.

Part III: In completing item B (Total Acres To Be Converted Indirectly), include the following:

1. Acres not being directly converted but that would no longer be capable of being farmed after the conversion, because the conversion would restrict access to them.

2. Acres planned to receive services from an infrastructure project as indicated in the project justification (e.g. highways, utilities) that will cause a direct conversion.

Part VI: Do not complete Part VI if a local site assessment is used.

Assign the maximum points for each site assessment criterion as shown in § 658.5 (b) of CFR. In cases of corridor-type projects such as transportation, powerline and flood control, criteria #5 and #6 will not apply and will, be weighed zero, however, criterion #8 will be weighed a maximum of 25 points, and criterion #11 a maximum of 25 points.

Individual Federal agencies at the national level, may assign relative weights among the 12 site assessment criteria other than those shown in the FPPA rule. In all cases where other weights are assigned relative adjustments must be made to maintain the maximum total weight points at 160.

In rating alternative sites, Federal agencies shall consider each of the criteria and assign points within the limits established in the FPPA rule. Sites most suitable for protection under these criteria will receive the highest total scores, and sites least suitable, the lowest scores.

Part VII: In computing the "Total Site Assessment Points" where a State or local site assessment is used and the total maximum number of points is other than 160, adjust the site assessment points to a base of 160. Example: if the Site Assessment maximum is 200 points, and alternative Site "A" is rated 180 points:

$$\frac{\text{Total points assigned Site A}}{\text{Maximum points possible}} = \frac{180}{200} \times 160 = 144 \text{ points for Site "A."}$$

Site Assessment Scoring for the Twelve Factors Used in FPPA

The Site Assessment criteria used in the Farmland Protection Policy Act (FPPA) rule are designed to assess important factors other than the agricultural value of the land when determining which alternative sites should receive the highest level of protection from conversion to non agricultural uses.

Twelve factors are used for Site Assessment and ten factors for corridor-type sites. Each factor is listed in an outline form, without detailed definitions or guidelines to follow in the rating process. The purpose of this document is to expand the definitions of use of each of the twelve Site Assessment factors so that all persons can have a clear understanding as to what each factor is intended to evaluate and how points are assigned for given conditions.

In each of the 12 factors a number rating system is used to determine which sites deserve the most protection from conversion to non-farm uses. The higher the number value given to a proposed site, the more protection it will receive. The maximum scores are 10, 15 and 20 points, depending upon the relative importance of each particular question. If a question significantly relates to why a parcel of land should not be converted, the question has a maximum possible protection value of 20, whereas a question which does not have such a significant impact upon whether a site would be converted, would have fewer maximum points possible, for example 10.

The following guidelines should be used in rating the twelve Site Assessment criteria:

1. **How much land is in non-urban use within a radius of 1.0 mile from where the project is intended?**

More than 90 percent:	15 points
90-20 percent:	14 to 1 points
Less than 20 percent:	0 points

This factor is designed to evaluate the extent to which the area within one mile of the proposed site is non-urban area. For purposes of this rule, "non-urban" should include:

- Agricultural land (crop-fruit trees, nuts, oilseed)
- Range land
- Forest land
- Golf Courses
- Non paved parks and recreational areas
- Mining sites
- Farm Storage
- Lakes, ponds and other water bodies
- Rural roads, and through roads without houses or buildings
- Open space
- Wetlands
- Fish production
- Pasture or hayland

Urban uses include:

- Houses (other than farm houses)
- Apartment buildings
- Commercial buildings
- Industrial buildings
- Paved recreational areas (i.e. tennis courts)
- Streets in areas with 30 structures per 40 acres
- Gas stations

- Equipment, supply stores
- Off-farm storage
- Processing plants
- Shopping malls
- Utilities/Services
- Medical buildings

In rating this factor, an area one-mile from the outer edge of the proposed site should be outlined on a current photo; the areas that are urban should be outlined. For rural houses and other buildings with unknown sizes, use 1 and 1/3 acres per structure. For roads with houses on only one side, use one half of road for urban and one half for non-urban.

The purpose of this rating process is to insure that the most valuable and viable farmlands are protected from development projects sponsored by the Federal Government. With this goal in mind, factor S1 suggests that the more agricultural lands surrounding the parcel boundary in question, the more protection from development this site should receive. Accordingly, a site with a large quantity of non-urban land surrounding it will receive a greater
number of points for protection from development. Thus, where more than 90 percent of the area around the proposed site (do not include the proposed site in this assessment) is non-urban, assign 15 points. Where 20 percent or less is
non-urban, assign 0 points. Where the area lies between 20 and 90 percent non-urban, assign appropriate points from 14 to 1, as noted below.

Percent Non-Urban Land within 1 mile	**Points**
90 percent or greater	15
85 to 89 percent	14
80 to 84 percent	13
75 to 79 percent	12
70 to 74 percent	11
65 to 69 percent	10
60 to 64 percent	9
55 to 59 percent	8
50 to 54 percent	7
45 to 49 percent	6
40 to 44 percent	5
35 to 39 percent	4
30 to 24 percent	3
25 to 29 percent	2
21 to 24 percent	1
20 percent or less	0

2. How much of the perimeter of the site borders on land in non-urban use?

More than 90 percent:	I0 points
90 to 20 percent:	9 to 1 point(s)
Less than 20 percent:	0 points

This factor is designed to evaluate the extent to which the land adjacent to the proposed site is non-urban use. Where factor #1 evaluates the general location of the proposed site, this factor evaluates the immediate perimeter of the site. The definition of urban and non-urban uses in factor #1 should be used for this factor.

In rating the second factor, measure the perimeter of the site that is in non-urban and urban use. Where more than 90 percent of the perimeter is in non-urban use, score this factor 10 points. Where less than 20 percent, assign 0 points. If a road is next to the perimeter, class the area according to the

use on the other side of the road for that area. Use 1 and 1/3 acre per structure if not otherwise known. Where 20 to 90 percent of the perimeter is non-urban, assign points as noted below:

Percentage of Perimeter Bordering Land	Points
90 percent or greater	10
82 to 89 percent	9
74 to 81 percent	8
65 to 73 percent	7
58 to 65 percent	6
50 to 57 percent	5
42 to 49 percent	4
34 to 41 percent	3
27 to 33 percent	2
21 to 26 percent	1
20 percent or Less	0

3. How much of the site has been farmed (managed for a scheduled harvest or timber activity) more than five of the last ten years?

More than 90 percent:	20 points
90 to 20 percent:	19 to 1 point(s)
Less than 20 percent:	0 points

This factor is designed to evaluate the extent to which the proposed conversion site has been used or managed for agricultural purposes in the past 10 years.

Land is being farmed when it is used or managed for food or fiber, to include timber products, fruit, nuts, grapes, grain, forage, oil seed, fish and meat, poultry and dairy products.

Land that has been left to grow up to native vegetation without management or harvest will be considered as abandoned and therefore not farmed. The proposed conversion site should be evaluated and rated according to the percent, of the site farmed.

If more than 90 percent of the site has been farmed 5 of the last 10 years score the site as follows:

Percentage of Site Farmed	Points
90 percent or greater	20
86 to 89 percent	19
82 to 85 percent	18
78 to 81 percent	17
74 to 77 percent	16
70 to 73 percent	15
66 to 69 percent	14
62 to 65 percent	13
58 to 61 percent	12
54 to 57 percent	11
50 to 53 percent	10
46 to 49 percent	9
42 to 45 percent	8
38 to 41 percent	7
35 to 37 percent	6
32 to 34 percent	5
29 to 31 percent	4
26 to 28 percent	3

23 to 25 percent	2
20 to 22 percent percent or Less	1
Less than 20 percent	0

4. Is the site subject to state or unit of local government policies or programs to protect farmland or covered by private programs to protect farmland?

Site is protected:	20 points
Site is not protected:	0 points

This factor is designed to evaluate the extent to which state and local government and private programs have made efforts to protect this site from conversion.

State and local policies and programs to protect farmland include:

State Policies and Programs to Protect Farmland

1. Tax Relief:

   A. Differential Assessment: Agricultural lands are taxed on their agricultural use value, rather than at market value. As a result, farmers pay fewer taxes on their land, which helps keep them in business, and therefore helps to insure that the farmland will not be converted to nonagricultural uses.

      1. Preferential Assessment for Property Tax: Landowners with parcels of land used for agriculture are given the privilege of differential assessment.

      2. Deferred Taxation for Property Tax: Landowners are deterred from converting their land to nonfarm uses, because if they do so, they must pay back taxes at market value.

      3. Restrictive Agreement for Property Tax: Landowners who want to receive Differential Assessment must agree to keep their land in - eligible use.

   B. Income Tax Credits

   Circuit Breaker Tax Credits: Authorize an eligible owner of farmland to apply some or all of the property taxes on his or her farmland and farm structures as a tax credit against the owner's state income tax.

   C. Estate and Inheritance Tax Benefits

   Farm Use Valuation for Death Tax: Exemption of state tax liability to eligible farm estates.

2. "Right to farm" laws:

   Prohibits local governments from enacting laws which will place restrictions upon normally accepted farming practices, for example, the generation of noise, odor or dust.

3. Agricultural Districting:

   Wherein farmers voluntarily organize districts of agricultural land to be legally recognized geographic areas. These farmers receive benefits, such as protection from annexation, in exchange for keeping land within the district for a given number of years.

4. Land Use Controls: Agricultural Zoning.

Types of Agricultural Zoning Ordinances include:

A. Exclusive: In which the agricultural zone is restricted to only farm-related dwellings, with, for example, a minimum of 40 acres per dwelling unit.

B. Non-Exclusive: In which non-farm dwellings are allowed, but the density remains low, such as 20 acres per dwelling unit.

Additional Zoning techniques include:

A. Sliding Scale: This method looks at zoning according to the total size of the parcel owned. For example, the number of dwelling units per a given number of acres may change from county to county according to the existing land acreage to dwelling unit ratio of surrounding parcels of land within the specific area.

B. Point System or Numerical Approach: Approaches land use permits on a case by case basis.

LESA: The LESA system (Land Evaluation-Site Assessment) is used as a tool to help assess options for land use on an evaluation of productivity weighed against commitment to urban development.

C. Conditional Use: Based upon the evaluation on a case by case basis by the Board of Zoning Adjustment. Also may include the method of using special land use permits.

5. Development Rights:

A. Purchase of Development Rights (PDR): Where development rights are purchased by Government action.

Buffer Zoning Districts: Buffer Zoning Districts are an example of land purchased by Government action. This land is included in zoning ordinances in order to preserve and protect agricultural lands from non-farm land uses encroaching upon them.

B. Transfer of Development Rights (TDR): Development rights are transferable for use in other locations designated as receiving areas. TDR is considered a locally based action (not state), because it requires a voluntary decision on the part of the individual landowners.

6. Governor's Executive Order: Policy made by the Governor, stating the importance of agriculture, and the preservation of agricultural lands. The Governor orders the state agencies to avoid the unnecessary conversion of important farmland to nonagricultural uses.

7. Voluntary State Programs:

A. California's Program of Restrictive Agreements and Differential Assessments: The California Land Conservation Act of 1965, commonly known as the Williamson Act, allows cities, counties and individual landowners to form agricultural preserves and enter into contracts for 10 or more years to insure that these parcels of land remain strictly for agricultural use. Since 1972 the Act has extended eligibility to recreational and open space lands such as scenic highway corridors, salt ponds and wildlife preserves. These contractually restricted lands may be taxed differentially for their real value. One hundred-acre districts constitute the minimum land size eligible.

Suggestion: An improved version of the Act would state that if the land is converted after the contract expires, the landowner must pay the difference in the taxes between market value for the land and the agricultural tax value which he or she had been

paying under the Act. This measure would help to insure that farmland would not be converted after the 10 year period ends.

B. Maryland Agricultural Land Preservation Program: Agricultural landowners within agricultural districts have the opportunity to sell their development rights to the Maryland Land Preservation Foundation under the agreement that these landowners will not subdivide or develop their land for an initial period of five years. After five years the landowner may terminate the agreement with one year notice.

   As is stated above under the California Williamson Act, the landowner should pay the back taxes on the property if he or she decides to convert the land after the contract expires, in order to discourage such conversions.

C. Wisconsin Income Tax Incentive Program: The Wisconsin Farmland Preservation Program of December 1977 encourages local jurisdictions in Wisconsin to adopt agricultural preservation plans or exclusive agricultural district zoning ordinances in exchange for credit against state income tax and exemption from special utility assessment. Eligible candidates include local governments and landowners with at least 35 acres of land per dwelling unit in agricultural use and gross farm profits of at least $6.000 per year, or $18,000 over three years.

8. Mandatory State Programs:

   A. The Environmental Control Act in the state of Vermont was adopted in 1970 by the Vermont State Legislature. The Act established an environmental board with 9 members (appointed by the Governor) to implement a planning process and a permit system to screen most subdivisions and development proposals according to specific criteria stated in the law. The planning process consists of an interim and a final Land Capability and Development Plan, the latter of which acts as a policy plan to control development. The policies are written in order to:

      - prevent air and water pollution;
      - protect scenic or natural beauty, historic sites and rare and irreplaceable natural areas; and
      - consider the impacts of growth and reduction of development on areas of primary agricultural soils.

   B. The California State Coastal Commission: In 1976 the Coastal Act was passed to establish a permanent Coastal Commission with permit and planning authority The purpose of the Coastal Commission was and is to protect the sensitive coastal zone environment and its resources, while accommodating the social and economic needs of the state. The Commission has the power to regulate development in the coastal zones by issuing permits on a case by case basis until local agencies can develop their own coastal plans, which must be certified by the Coastal Commission.

   C. Hawaii's Program of State Zoning: In 1961, the Hawaii State Legislature established Act 187, the Land Use Law, to protect the farmland and the welfare of the local people of Hawaii by planning to avoid "unnecessary urbanization". The Law made all state lands into four districts: agricultural, conservation, rural and urban. The Governor appointed members to a State Land Use Commission, whose duties were to uphold the Law and form the boundaries of the four districts. In addition to state zoning, the Land Use Law introduced a program of Differential Assessment, wherein agricultural landowners paid taxes on their land for its agricultural use value, rather than its market value.

   D. The Oregon Land Use Act of 1973: This act established the Land Conservation and Development Commission (LCDC) to provide statewide planning goals and guidelines.

Under this Act, Oregon cities and counties are each required to draw up a comprehensive plan, consistent with statewide planning goals. Agricultural land preservation is high on the list of state goals to be followed locally.

If the proposed site is subject to or has used one or more of the above farmland protection programs or policies, score the site 20 points. If none of the above policies or programs apply to this site, score 0 points.

5. How close is the site to an urban built-up area?

The site is 2 miles or more from an urban built-up area	15 points
The site is more than 1 mile but less than 2 miles from an urban built-up area	10 points
The site is less than 1 mile from, but is not adjacent to an urban built-up area	5 points
The site is adjacent to an urban built-up area	0 points

This factor is designed to evaluate the extent to which the proposed site is located next to an existing urban area. The urban built-up area must be 2500 population. The measurement from the built-up area should be made from the point at which the density is 30 structures per 40 acres and with no open or non-urban land existing between the major built-up areas and this point. Suburbs adjacent to cities or urban built-up areas should be considered as part of that urban area.

For greater accuracy, use the following chart to determine how much protection the site should receive according to its distance from an urban area. See chart below:

Distance From Perimeter of Site to Urban Area	Points
More than 10,560 feet	15
9,860 to 10,559 feet	14
9,160 to 9,859 feet	13
8,460 to 9,159 feet	12
7,760 to 8,459 feet	11
7,060 to 7,759 feet	10
6,360 to 7,059 feet	9
5,660 to 6,359 feet	8
4,960 to 5,659 feet	7
4,260 to 4,959 feet	6
3,560 to 4,259 feet	5
2,860 to 3,559 feet	4
2,160 to 2,859 feet	3
1,460 to 2,159 feet	2
760 to 1,459 feet	1
Less than 760 feet (adjacent)	0

6. How close is the site to water lines, sewer lines and/or other local facilities and services whose capacities and design would promote nonagricultural use?

None of the services exist nearer than 3 miles from the site	15 points
Some of the services exist more than one but less than 3 miles from the site	10 points
All of the services exist within 1/2 mile of the site	0 points

This question determines how much infrastructure (water, sewer, etc.) is in place which could facilitate nonagricultural development. The fewer facilities in place, the more difficult it is to develop an area. Thus, if a proposed site is further away from these services (more than 3 miles distance away), the site should be awarded the highest number of points (15). As the distance of the parcel of land to services decreases, the number of points awarded declines as well. So, when the site is equal to or further than 1 mile but less than 3 miles away from services, it should be given 10 points. Accordingly, if this distance is 1/2 mile to less than 1 mile, award 5 points; and if the distance from land to services is less than 1/2 mile, award 0 points.

Distance to public facilities should be measured from the perimeter of the parcel in question to the nearest site(s) where necessary facilities are located. If there is more than one distance (i.e. from site to water and from site to sewer), use the average distance (add all distances and then divide by the number of different distances to get the average).

Facilities which could promote nonagricultural use include:

- Water lines
- Sewer lines
- Power lines
- Gas lines
- Circulation (roads)
- Fire and police protection
- Schools

7. **Is the farm unit(s) containing the site (before the project) as large as the average-size farming unit in the county? (Average farm sizes in each county are available from the NRCS field offices in each state. Data are from the latest available Census of Agriculture, Acreage of Farm Units in Operation with $1,000 or more in sales.)**

As large or larger:	10 points
Below average: Deduct 1 point for each 5 percent below the average, down to 0 points if 50 percent or more is below average	9 to 0 points

This factor is designed to determine how much protection the site should receive, according to its size in relation to the average size of farming units within the county. The larger the parcel of land, the more agricultural use value the land possesses, and vice versa. Thus, if the farm unit is as large or larger than the county average, it receives the maximum number of points (10). The smaller the parcel of land compared to the county average, the fewer number of points given. Please see below:

Parcel Size in Relation to Average County Size	Points
Same size or larger than average (l00 percent)	10
95 percent of average	9
90 percent of average	8
85 percent of average	7
80 percent of average	6
75 percent of average	5
70 percent of average	4
65 percent of average	3
60 percent of average	2
55 percent of average	1
50 percent or below county average	0

State and local Natural Resources Conservation Service offices will have the average farm size information, provided by the latest available Census of Agriculture data

8. If this site is chosen for the project, how much of the remaining land on the farm will become non-farmable because of interference with land patterns?

Acreage equal to more than 25 percent of acres directly converted by the project	10 points
Acreage equal to between 25 and 5 percent of the acres directly converted by the project	9 to 1 point(s)
Acreage equal to less than 5 percent of the acres directly converted by the project	0 points

This factor tackles the question of how the proposed development will affect the rest of the land on the farm The site which deserves the most protection from conversion will receive the greatest number of points, and vice versa. For example, if the project is small, such as an extension on a house, the rest of the agricultural land would remain farmable, and thus a lower number of points is given to the site. Whereas if a large-scale highway is planned, a greater portion of the land (not including the site) will become non-farmable, since access to the farmland will be blocked; and thus, the site should receive the highest number of points (10) as protection from conversion

Conversion uses of the Site Which Would Make the Rest of the Land Non-Farmable by Interfering with Land Patterns

Conversions which make the rest of the property nonfarmable include any development which blocks accessibility to the rest of the site Examples are highways, railroads, dams or development along the front of a site restricting access to the rest of the property.

The point scoring is as follows:

Amount of Land Not Including the Site Which Will Become Non-Farmable	**Points**
25 percent or greater	10
23 - 24 percent	9
21 - 22 percent	8
19 - 20 percent	7
17 - 18 percent	6
15 - 16 percent	5
13 - 14 percent	4
11 - 12 percent	3
9 - 11 percent	2
6 - 8 percent	1
5 percent or less	0

9. Does the site have available adequate supply of farm support services and markets, i.e., farm suppliers, equipment dealers, processing and storage facilities and farmer's markets?

All required services are available	5 points
Some required services are available	4 to 1 point(s)
No required services are available	0 points

This factor is used to assess whether there are adequate support facilities, activities and industry to keep the farming business in business. The more support facilities available to the agricultural

landowner, the more feasible it is for him or her to stay in production. In addition, agricultural support facilities are compatible with farmland. This fact is important, because some land uses are not compatible; for example, development next to farmland cam be dangerous to the welfare of the agricultural land, as a result of pressure from the neighbors who often do not appreciate the noise, smells and dust intrinsic to farmland. Thus, when all required agricultural support services are available, the maximum number of points (5) are awarded. When some services are available, 4 to 1 point(s) are awarded; and consequently, when no services are available, no points are given. See below:

Percent of Services Available	Points
100 percent	5
75 to 99 percent	4
50 to 74 percent	3
25 to 49 percent	2
1 to 24 percent	1
No services	0

10. Does the site have substantial and well-maintained on farm investments such as barns, other storage buildings, fruit trees and vines, field terraces, drainage, irrigation, waterways, or other soil and water conservation measures?

High amount of on-farm investment	20 points
Moderate amount of non-farm investment	19 to 1 point(s)
No on-farm investments	0 points

This factor assesses the quantity of agricultural facilities in place on the proposed site. If a significant agricultural infrastructure exists, the site should continue to be used for farming, and thus the parcel will receive the highest amount of points towards protection from conversion or development. If there is little on farm investment, the site will receive comparatively less protection. See-below:

Amount of On-farm Investment	Points
As much or more than necessary to maintain production (100 percent)	20
95 to 99 percent	19
90 to 94 percent	18
85 to 89 percent	17
80 to 84 percent	16
75 to 79 percent	15
70 to 74 percent	14
65 to 69 percent	13
60 to 64 percent	12
55 to 59 percent	11
50 to 54 percent	10
45 to 49 percent	9
40 to 44 percent	8
35 to 39 percent	7
30 to 34 percent	6
25 to 29 percent	5
20 to 24 percent	4
15 to 19 percent	3
10 to 14 percent	2
5 to 9 percent	1
0 to 4 percent	0

11. Would the project at this site, by converting farmland to nonagricultural use, reduce the support for farm support services so as to jeopardize the continued existence of these support services and thus, the viability of the farms remaining in the area?

Substantial reduction in demand for support services if the site is converted	10 points
Some reduction in demand for support services if the site is converted	9 to 1 point(s)
No significant reduction in demand for support services if the site is converted	0 points

This factor determines whether there are other agriculturally related activities, businesses or jobs dependent upon the working of the pre-converted site in order for the others to remain in production. The more people and farming activities relying upon this land, the more protection it should receive from conversion. Thus, if a substantial reduction in demand for support services were to occur as a result of conversions, the proposed site would receive a high score of 10; some reduction in demand would receive 9 to 1 point(s), and no significant reduction in demand would receive no points.

Specific points are outlined as follows:

Amount of Reduction in Support Services if Site is Converted to Nonagricultural Use	**Points**
Substantial reduction (100 percent)	10
90 to 99 percent	9
80 to 89 percent	8
70 to 79 percent	7
60 to 69 percent	6
50 to 59 percent	5
40 to 49 percent	4
30 to 39 percent	3
20 to 29 percent	2
10 to 19 percent	1
No significant reduction (0 to 9 percent)	0

12. Is the kind and intensity of the proposed use of the site sufficiently incompatible with agriculture that it is likely to contribute to the eventual conversion of the surrounding farmland to nonagricultural use?

Proposed project is incompatible with existing agricultural use of surrounding farmland	10 points
Proposed project is tolerable of existing agricultural use of surrounding farmland	9 to 1 point(s)
Proposed project is fully compatible with existing agricultural use of surrounding farmland	0 points

Factor 12 determines whether conversion of the proposed agricultural site will eventually cause the conversion of neighboring farmland as a result of incompatibility of use of the first with the latter. The more incompatible the proposed conversion is with agriculture, the more protection this site receives from conversion. Therefor-, if the proposed conversion is incompatible with agriculture, the site receives 10 points. If the project is tolerable with agriculture, it receives 9 to 1 points; and if the proposed conversion is compatible with agriculture, it receives 0 points.

CORRIDOR - TYPE SITE ASSESSMENT CRITERIA

The following criteria are to be used for projects that have a linear or corridor - type site configuration connecting two distant points, and crossing several different tracts of land. These include utility lines, highways, railroads, stream improvements, and flood control systems. Federal agencies are to assess the suitability of each corridor-type site or design alternative for protection as farmland along with the land evaluation information.

For Water and Waste Programs, corridor analyses are not applicable for distribution or collection networks. Analyses are applicable for transmission or trunk lines where placement of the lines are flexible.

(1) How much land is in nonurban use within a radius of 1.0 mile form where the project is intended?

(2)	More than 90 percent	(3)	15 points
(4)	90 to 20 percent	(5)	14 to 1 point(s).
(6)	Less than 20 percent	(7)	0 points

(2) How much of the perimeter of the site borders on land in nonurban use?

(3)	More than 90 percent	(4)	10 point(s)
(5)	90 to 20 percent	(6)	9 to 1 points
(7)	less than 20 percent	(8)	0 points

(3) How much of the site has been farmed (managed for a scheduled harvest or timber activity) more than five of the last 10 years?

(4)	More than 90 percent	(5)	20 points
(6)	90 to 20 percent	(7)	19 to 1 point(s)
(8)	Less than 20 percent	(9)	0 points

(4) Is the site subject to state or unit of local government policies or programs to protect farmland or covered by private programs to protect farmland?

Site is protected	20 points
Site is not protected	0 points

(5) Is the farm unit(s) containing the site (before the project) as large as the average - size farming unit in the County? (Average farm sizes in each county are available from the NRCS field offices in each state. Data are from the latest available Census of Agriculture, Acreage of Farm Units in Operation with $1,000 or more in sales.)

As large or larger	10 points
Below average deduct 1 point for each 5 percent below the average, down to 0 points if 50 percent or more below average	9 to 0 points

(6) If the site is chosen for the project, how much of the remaining land on the farm will become non-farmable because of interference with land patterns?

Acreage equal to more than 25 percent of acres directly converted by the project	25 points
Acreage equal to between 25 and 5 percent of the acres directly convened by the project	1 to 24 point(s)
Acreage equal to less than 5 percent of the acres directly converted by the project	0 points

(7) Does the site have available adequate supply of farm support services and markets, i.e., farm suppliers, equipment dealers, processing and storage facilities and farmer's markets?

All required services are available	5 points
Some required services are available	4 to 1 point(s)
No required services are available	0 points

(8) Does the site have substantial and well-maintained on-farm investments such as barns, other storage building, fruit trees and vines, field terraces, drainage, irrigation, waterways, or other soil and water conservation measures?

High amount of on-farm investment	20 points
Moderate amount of on-farm investment	19 to 1 point(s)
No on-farm investment	0 points

(9) Would the project at this site, by converting farmland to nonagricultural use, reduce the demand for farm support services so as to jeopardize the continued existence of these support services and thus, the viability of the farms remaining in the area?

Substantial reduction in demand for support services if the site is convened	25 points
Some reduction in demand for support services if the site is convened	1 to 24 point(s)
No significant reduction in demand for support services if the site is converted	0 points

(10) Is the kind and intensity of the proposed use of the site sufficiently incompatible with agriculture that it is likely to contribute to the eventual conversion of surrounding farmland to nonagricultural use?

Proposed project is incompatible to existing agricultural use of surrounding farmland	10 points
Proposed project is tolerable to existing agricultural use of surrounding farmland	9 to 1 point(s)
Proposed project is fully compatible with existing agricultural use of surrounding farmland	0 points

September 3, 2014

Mr. William Puckett, Acting Director
Natural Resources Conservation Service
U.S. Department of Agriculture
P.O. Box 50004 Rm 4-118
Honolulu, HI 96850

Subject: Schofield Generating Station Project (SGSP):
Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Puckett:

Thank you for your February 4, 2014 letter addressed to Ms. DeSantis of Tetra Tech concerning the subject EISPN for the SGSP. Hawaiian Electric Company and the U.S. Army are grateful for the time that you and your staff spent reviewing the EISPN and preparing your detailed comments.

We appreciate you informing us that the proposed Schofield Generating Station Project is subject to the Farmland Protection Policy Act (FPPA, subtitle I of Title XV, Section 1539-1549 of the Agriculture and Food Act of 1981 [Public Law 97-98]).

The 8.13-acre generating station site is a portion of the larger 1,402-acre Schofield Barracks South Range Acquisition Area (SRAA) that was assessed in the Stryker Brigade Combat Team (SBCT) EIS in 2004 (Tetra Tech 2004). As part of that NEPA process, the Army coordinated the conversion of the land from prime farmland to nonagricultural use with NRCS in light of the objectives and guidelines of the FPPA. The estimated 535 acres of what at that time was cultivated pineapple land was 0.67 percent of the total USDA-designated agricultural land on Oahu and 2.8 percent of the total area in pineapple production in the state (Tetra Tech 2004). The SBCT EIS concluded that the conversion on the entire South Range to nonagricultural use would not result in significant impacts.

Upon doing some research regarding the SBCT EIS Form AD-1006, the Army became aware that ratings had been prepared and the form completed for the entire SRAA range, but the process had never been finalized. In March 2014, Mr. David Howlett from the Army's Environmental Law Division contacted Dr. Cynthia Stiles, Assistant State Soil Scientist, about the situation and provided her with the rating form that was completed in 2003, but never finalized. Dr. Stiles reviewed the form and agreed with the ratings, but asked that the Army provide some narrative as to how the ratings were determined. The Army is currently in the process of finalizing the Form AD-1006 requirements for coordination with NRCS. Compliance with the FPPA will be addressed in the SGSP EIS.

If you have any questions or would like to discuss this further, please call me at (808) 543-4088, or if you have specific questions concerning the previous consultation for the SBCT EIS, please contact Lisa Graham with the U.S. Army Garrison, Hawai'i at (808) 656-3075.

Sincerely,

Jack Shriver
Senior Engineer
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Ms. Kathy Ahsing, US Army Energy Initiatives Task Force

DEPARTMENT OF THE ARMY
US ARMY INSTALLATION MANAGEMENT COMMAND, PACIFIC REGION
HEADQUARTERS, UNITED STATES ARMY GARRISON, HAWAII
851 WRIGHT AVENUE, WHEELER ARMY AIRFIELD
SCHOFIELD BARRACKS, HAWAII 96857-5000

REPLY TO
ATTENTION OF:

SEP 0 2 2014

Office of the Garrison Commander

Mr. William Puckett
Acting Director
USDA-Natural Resources Conservation Service
Pacific Islands Area State Office
P.O. Box 50004
Honolulu, Hawaii 96850-50004

Dear Mr. Puckett:

This letter and enclosed form is being sent to your office to complete consultation under Farmland Protection Policy Act (FFPA). When the 1,402-acre South Range Acquisition Area (SRAA) was assessed as part of the Army Transformation Environmental Impact Statement, the Army initiated consultation with Natural Resources Conservation Service (NRCS) under FPPA. Form AD-1006 was completed by NRCS in May of 2003 with a note in Part VII stating that the Army would complete the process once the Record of Decision was signed. From what NRCS and US Army Garrison, Hawaii (USAG-HI) found in the project archives, the process was never completed.

The Army was recently made aware of this oversight through correspondence from NRCS concerning another project in the SRAA. Mr. David Howlett for the Army's Environmental Law Division contacted Dr. Cynthia Stiles from NRCS in Honolulu. She reviewed the original rating from 2003 and agreed that it is still accurate. Enclosed is the revised AD-1006 with the rating information reviewed and provided by Dr. Stiles. USAG-HI is providing explanation for the site assessment criteria in Part VI and the reason for the site selection (Site A) in Part VII.

If you have any questions, please contact Ms. Lisa Graham, USAG-HI's National Environmental Policy Act Program Manager, at 808.656.3075 or lisa.m.graham52.civ@mail.mil.

Sincerely,

Richard A. Fromm
Colonel, US Army
Commanding

Enclosures

CF: Dr. Cynthia Stiles, USDA-Natural Resources Conservation Service, Pacific Islands Area State Office, P.O. Box 50004, Honolulu, Hawaii 96850-50004

U.S. Department of Agriculture

FARMLAND CONVERSION IMPACT RATING

PART I *(To be completed by Federal Agency)*	Date Of Land Evaluation Request 3/31/14
Name Of Project South Range Acquisition Area	Federal Agency Involved U.S. Army Garrison, Hawaii
Proposed Land Use Military Training	County And State Honolulu, Hawaii
PART II *(To be completed by NRCS)*	Date Request Received By NRCS

Does the site contain prime, unique, statewide or local important farmland? *(If no, the FPPA does not apply – do not complete additional parts of this form).*	Yes ☑	No ☐	Acres Irrigated 16303	Average Farm Size 91

Major Crop(s) Fallow	Farmable Land In Govt. Jurisdiction Acres: 151860 % 39	Amount Of Farmland As Defined In FPPA Acres: 94500 % 24
Name Of Land Evaluation System Used State of Hawaii LESA	Name Of Local Site Assessment System None	Date Land Evaluation Returned By NRCS 3/31/14

PART III *(To be completed by Federal Agency)*	Alternative Site Rating			
	Site A	Site B	Site C	Site D
A. Total Acres To Be Converted Directly	1,402.0	100.0		
B. Total Acres To Be Converted Indirectly				
C. Total Acres In Site	1,402.0	100.0	0.0	0.0
PART IV *(To be completed by NRCS)* Land Evaluation Information				
A. Total Acres Prime And Unique Farmland	535.0	84.0		
B. Total Acres Statewide And Local Important Farmland	252.0	3.0		
C. Percentage Of Farmland In County Or Local Govt. Unit To Be Converted	0.8	0.1		
D. Percentage Of Farmland In Govt. Jurisdiction With Same Or Higher Relative Value	33.0	15.0		
PART V *(To be completed by NRCS)* Land Evaluation Criterion Relative Value Of Farmland To Be Converted *(Scale of 0 to 100 Points)*	54	87	0	0

PART VI *(To be completed by Federal Agency)* Site Assessment Criteria *(These criteria are explained in 7 CFR 658.5(b)*	Maximum Points				
1. Area In Nonurban Use	15	15	15		
2. Perimeter In Nonurban Use	10	6	7		
3. Percent Of Site Being Farmed	20	6	20		
4. Protection Provided By State And Local Government	20	20	20		
5. Distance From Urban Builtup Area	15	0	0		
6. Distance To Urban Support Services	15	0	0		
7. Size Of Present Farm Unit Compared To Average	10	10	10		
8. Creation Of Nonfarmable Farmland	10	0	0		
9. Availability Of Farm Support Services	5	0	0		
10. On-Farm Investments	20	4	4		
11. Effects Of Conversion On Farm Support Services	10	0	0		
12. Compatibility With Existing Agricultural Use	10	0	0		
TOTAL SITE ASSESSMENT POINTS	160	61	76	0	0
PART VII *(To be completed by Federal Agency)*					
Relative Value Of Farmland *(From Part V)*	100	54	87	0	0
Total Site Assessment *(From Part VI above or a local site assessment)*	160	61	76	0	0
TOTAL POINTS *(Total of above 2 lines)*	260	115	163	0	0

Site Selected: A	Date Of Selection 7/7/04	Was A Local Site Assessment Used? Yes ■ No ☐

Reason For Selection:

Acquiring the full acreage in the South Range Acquisition Area partially cures the shortage of Army training lands in Hawaii, provides a buffer to incompatible development along the southern border of Schofield Barracks Military Reservation, and provides some additional safety zones for Wheeler Army Airfield's runway.

Justifications for NRCS Form AD-1006 scores assigned in Part VI

US Army Garrison, Hawaii

1. Area in Non-Urban Use: The South Range Acquisition Area (SRAA) receives the maximum 15 points as the entire area is non-urban.
2. Perimeter in Non-Urban Use: The SRAA receives the 6 points as the only a bit over 50% of the perimeter is adjacent to non-urban use areas including Honouliuli Preserve.
3. Percent of Corridor Being Farmed: The SRAA receives the 6 points as only 535 acres of the total area was is cultivate pineapple land.
4. Protection Provided By State and Local Government: The SRAA receives the highest score, 20 points, contain land designated Unique and Other Land.
5. Distance from Urban Buildup Area: The SRAA receives lowest score as it is adjacent to urban areas at Schofield Barracks Main Post and Wheeler Army Airfield.
6. Distance from Urban Support Services: The SRAA receives lowest score as it is adjacent to urban support services located at Schofield Barracks Main Post and Wheeler Army Airfield.
7. Size of Present Farm Unit Compared to Average: The SRAA received the maximum 10 points as the 535 acres was prime and local important farmland, which is much larger than the average farm size in the area.
8. Creation of Nonfarmable Farmland: The SRAA was given the minimum of zero points as the estimated 535 acres of cultivated pineapple land is .67 percent of the total USDA-designated agricultural land on Oahu and 2.8 percent of the total area in pineapple production in the state (USDA 2004).
9. Availability of Farm Support Services: All alignments were given the minimum zero points bi required services are available.
10. On-Farm Investments: All alignments get the 4 points score because it has a minimum amount of on-farm investment.
11. Effects of Conversion on Farm Support Services: The SRAA received the minimum of zero points as it would not reduce the demand for farm support services in the area.
12. Compatibility with Existing Agricultural Use: The SRAA received a score of zero points as the project will be fully compatible with existing agricultural use.

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843

February 11, 2014

Mr. Jack Shriver, Project Manager
Hawaiian Electric
P.O. Box 2750
Honolulu, Hawaii 96840-0001

Dear Mr. Shriver:

Subject: Your Letter Dated January 8, 2014 Requesting Comments on the Environmental Impact Statement Preparation Notice for the Schofield Generating Station Project – Tax Map Key: 7-7-001: 001, 002; 7-3-001:001, 002, 006, 007, 008, 009, 011, 012, 013, 019, 022, 024; 7-6-001; 7-6-001: 001, 006; 9-4-012: 001, 003, 011

Thank you for the opportunity to comment on the proposed generating project.

We do not have a water system in the vicinity of the proposed generating plant. Water service should be provided by the private water system in this area.

The construction drawings for the 46 kilovolt sub-transmission line should be submitted for our review.

If you have any questions, please contact Robert Chun at 748-5443.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

April 1, 2014

Mr. Ernest Y. W. Lau, P.E.
Manager and Chief Engineer
Board of Water Supply
City and County of Honolulu
630 South Beretania Street
Honolulu, HI 96843

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Lau:

Thank you for your February 11th 2014 letter concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. We appreciate the time that you and your staff spent reviewing the EISPN and preparing your response.

We are grateful for your confirmation that the City and County of Honolulu Board of Water Supply does not have a water system in the vicinity of the proposed generating plant. Hawaiian Electric anticipates that the relatively small amounts of water that would be used by the proposed project will be obtained from the Army water system that serves the area.

Hawaiian Electric will submit a building permit application for the proposed 46 kilovolt sub-transmission line. We understand that as part of the normal building permit application process, your agency will have an opportunity for review and approval at that time. We do not expect that there will be any conflict with your existing pipelines or other facilities. In the meantime, if you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

DEPARTMENT OF PARKS & RECREATION

CITY AND COUNTY OF HONOLULU

1000 Uluohia Street, Suite 309, Kapolei, Hawaii 96707
Phone: (808) 768-3003 • Fax: (808) 768-3053
Website: www.honolulu.gov

KIRK CALDWELL
MAYOR

TONI P. ROBINSON
DIRECTOR

JEANNE C. ISHIKAWA
DEPUTY DIRECTOR

February 13, 2014

Mr. Jack Shriver, Project Manager
Hawaiian Electric
P. O. Box 2750
Honolulu, Hawaii 96840-0001

Dear Mr. Shriver:

SUBJECT: Environmental Impact Statement Preparation Notice (EISPN)
Schofield Generating Station Project

Thank you for the opportunity to review and comment on the proposed Schofield Generating Station Project.

The Department of Parks and Recreation has no comment. As the proposed project will have no impact on any program or facility of the Department, you may remove us as a consulted party to the balance of the EIS process.

Should you have any questions, please contact Mr. John Reid, Planner at 768-3017.

Sincerely,

Toni P. Robinson

Toni P. Robinson
Director

TPR:jr
(546404)

April 1, 2014

Ms. Toni P. Robinson, Director
Department of Parks and Recreation
City and County of Honolulu
1000 Uluohia Street, Suite 309
Honolulu, Hawai'i 96707

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Ms. Robinson:

Thank you for your February 13th 2014 letter concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. We appreciate the time that you and your staff spent reviewing the EISPN and responding.

We understand that the City and County of Honolulu Department of Parks and Recreation has no program or facility that it believes could be adversely affected by the proposed project. In accordance with your request, we will remove the agency from the list of parties to be consulted during the balance of the EIS process.

If in the future you have any questions or would like to discuss this further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

DEPARTMENT OF TRANSPORTATION SERVICES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 3RD FLOOR
HONOLULU, HAWAII 96813
Phone: (808) 768-8305 • Fax: (808) 768-4730 • Internet: www.honolulu.gov

KIRK CALDWELL
MAYOR

MICHAEL D. FORMBY
DIRECTOR

MARK N. GARRITY, AICP
DEPUTY DIRECTOR

TP1/14-546361R

February 12, 2014

Ms. Melissa DeSantis
Tetra Tech, Inc.
10306 Eaton Place, Suite 340
Fairfax, Virginia 22030

Attention: SGSP EIS

Dear Ms. DeSantis:

SUBJECT: Environmental Impact Statement Preparation Notice (EISPN) for the Lease of Army Land at Schofield Barracks, Oahu, Hawaii, for the Construction and Operation of a Biofuel-Capable Power Generation Plant; Wahiawa, Oahu, Hawaii

In response to Ms. Amanda Simpson's letter dated January 9, 2014, we have no comments to offer at this time.

Although, we did not attend the scoping meeting, we reserve further comment pending submission of the Environmental Impact Statement.

Thank you for the opportunity to review this matter. Should you have any further questions, please contact Michael Murphy of my staff at 768-8359.

Very truly yours,

Michael D. Formby
Director

cc: Ms. Amanda Simpson, Executive Director
Department of the Army, Energy Initiatives Task Force

April 1, 2014

Mr. Michael D. Formby, Director
Department of Transportation Services
City and County of Honolulu
650 South King Street, 3rd Floor
Honolulu, Hawai'i 96813

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Ms. Robinson:

Thank you for your February 12th 2014 letter to Ms. Melissa DeSantis of Tetra Tech, Inc. (Reference TP1/14-546361R) concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project. We appreciate the time that you and your staff spent reviewing the EISPN and preparing your letter.

We understand that the City and County of Honolulu Department of Transportation Services did not attend the scoping meeting and has no comments to offer at this time. We will provide a copy of the Draft Environmental Impact Statement to you for review and comment when it is available.

In the meantime, if you have any questions or would like to discuss the project further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

February 28, 2014

VIA U.S. MAIL

Department of Land and Natural Resources
1151 Punchbowl Street, Room 131
Honolulu, Hawaii 96813
Attention: William Aila, Chairperson

VIA U.S. MAIL AND E-MAIL

Melissa DeSantis
Tetra Tech, Inc.
Attention: SGSP EISPN
10306 Eaton Place, Suite 340
Fairfax, Virginia 22030
sgspcomments@tetratech.com

Re: SGSP EISPN (Notice of Intent to Prepare an Environmental Impact Statement for the Schofield Generating Station Plant)

Dear Chair Aila and Ms. DeSantis:

The Hawaii Department of Business, Economic Development, and Tourism ("DBEDT") submits the following comments in response to the State of Hawaii's Department of Land and Natural Resources' ("DLNR") Environmental Impact Statement ("EIS") Preparation Notice ("EISPN" or "Notice") for the proposed Schofield Generating Station Project ("Project"). DBEDT acknowledges the Department of the Army's ("Army") need for energy security for the Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia, DBEDT seeks to work as a consulted party and is committed to working with the Army, Hawaiian Electric Company, Inc. ("HECO"), DLNR, and other interested stakeholders during the EIS process to ensure a successful and reasonable outcome.

DBEDT's comments herein are guided by the State's clean energy policy, which has a significant influence on the State's economic and environmental well-being. Based on that perspective there

are other considerations that should be accounted for and other alternatives that should be explored. Such alternatives would better serve the State's and the Army's mutual interests in reducing consumption of petroleum-based generation and exploring other clean energy options that would reliably and cost-effectively promote Hawaii's energy security.

I. Comments

A. Building Petroleum-based Electricity Generation is Contrary to Hawaii's Energy Policy and is Not in the Public Interest in Hawaii

Based on its interests and statutory obligation to reach and exceed the State's clean energy targets, DBEDT is concerned with the characterization of this Project as one that would advance the State's renewable goals.[1] Of primary concern is the fact that diesel is proposed to be an integral part of the fuel mix.[2] Building a diesel-based electricity generation unit is contrary to meeting the State's Renewable Portfolio Standards ("RPS") mandate. This mandate requires each electric utility company that sells electricity for consumption in Hawaii to establish a RPS of forty per cent of its net electricity sales by December 31, 2030.[3] Both DLNR and DBEDT are charged with facilitating the private sector's development of renewable energy projects by supporting the private sector's attainment of the RPS.[4]

Moreover, the State and the United States Department of Energy's partnership—the Hawaii Clean Energy Initiative—is aimed at attaining independence from the State's detrimental reliance on fossil fuels.[5] While the Notice states that the "use of renewable biofuels will contribute to State [RPS] goals,"[6] DBEDT submits that using diesel to operate the Project would be a step backwards for Hawaii from an energy policy and environmental perspective. DBEDT also notes that there is insufficient clarity at this time as to the extent of the proposed reliance on diesel versus biofuels in all the scenarios proposed for consideration.[7]

DBEDT further notes that the intent to use diesel for the Project was not stated in support of HECO's application to the Hawaii Public Utilities Commission ("Hawaii PUC") for waiver from the Framework for Competitive Bidding.[8] There, HECO claimed that a waiver for the Project

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1 *See e.g.*, Notice at 2:34-35 (noting that "[t]he six biofuel-capable reciprocating engine-generator sets would add 50MW of firm, utility-owned renewable energy capacity" to the Oahu electrical grid).

2 *Id.* at 3:13-15.

3 H.R.S. § 269-92 (Renewable Portfolio Standards).

4 H.R.S. § 196-41 (State Support for achieving Renewable Portfolio Standards).

5 *See* http://www.hawaiicleanenergyinitiative.org/about; *cf.* 2009 H.B. 1464, Act 155.

6 Notice at 3:6-7.

7 *Id.* at 3:13-15 ("The Schofield Generating Station would operate on a mix of biofuel and diesel as required to meet Hawaiian Electric's Renewable Portfolio Standards . . . .").

8 *See I/M/O the Application of Hawaiian Electric Co. for Approval of Application for Waiver from the Framework for Competitive Bidding*, Decision and Order No. 30522, Hawaii PUC Docket No. 2011-0386 at 7 (August 1, 2012) ("Waiver Order") at 5 (noting that by Decision and Order No. 23121, filed on December 8, 2006, in Hawaii PUC Docket No. 03-0372, "the commission adopted the Framework to govern competitive

was appropriate "since the utility is seeking to acquire power from a non-fossil fuel (biofueled) facility to meet the governmental objective of energy security for the military."[9] The Hawaii PUC generally found that the Project meets the criteria for a waiver under Section II.A.3 of the Competitive Bidding Framework,[10] and specifically found that the "Project will be addressing a critical governmental objective, in which the fuel source is renewable, which is consistent with Sections II.A.3.c.(iii) and II.A.3.c(iv) of the Framework."[11] In addition, the HECO Companies' 2013 IRP Report and Action Plan[12] did not indicate that the Project would rely on diesel fuel. Rather, the Report stated that the Project "would more efficiently consume 3,000,000 gallons/year of biodiesel . . . ."[13]

In addition to raising concerns pertaining to State energy policy, reliance on petroleum-based fuels raises concerns regarding price, energy security, and environmental impacts.[14] As such, DBEDT is concerned that the Project as currently proposed would not support the State's efforts to redefine Hawaii's energy future.

B. Other Alternatives that Would Foster the State's and Army's Interests Should be Considered

DBEDT believes the State's goals are consistent with the goals of the Army Energy Initiatives Task Force, which serves as the central management office for partnering with Army installations to implement cost-effective, large-scale renewable energy projects, such as the Project.[15] This

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bidding as a mechanism for acquiring new energy generation in Hawaii. Under the Framework, competitive bidding is the required mechanism for acquiring a future generation resource or a block of generation resources, subject to certain conditions and exceptions.").

9 *I/M/O the Application of Hawaiian Electric Co. for Approval of Application for Waiver from the Framework for Competitive Bidding,* Application for Waiver, Hawaii PUC Docket No. 2011-0386 at 7 (filed December 27, 2011). *See also* Waiver Order at 7 (noting the same).

10 We note that the Waiver Order underscored certain provisions in Part II.A.3 of the Competitive Bidding Framework that HECO had argued would support the request for waiver. One such provision was Part II.A.3.b.(iv), which provides that a circumstance when competitive bidding may not be appropriate includes "when competitive bidding will impede or create a disincentive for the achievement of [Integrated Resource Planning ("IRP")] goals, renewable energy portfolio standards or other government objectives and policies". Waiver Order at 5-6.

11 *Id.* at 10. Sections II.A.3.c(iii) pertains to "the acquisition of power from a non-fossil fuel facility (such as a waste-to-energy facility) that is being installed to meet a governmental objective;" and II.A.3.c(iv) pertains to "the acquisition of power supplies needed to respond to an emergency situation." *Id.* at 7.

12 Hawaiian Electric Companies' 2013 IRP Report and Action Plan, Hawaii PUC Docket No. 2012-0036 (filed June 28, 2013) (hereinafter "IRP Report"). HECO has two subsidiaries, Hawaii Electric Light Company, Inc. ("HELCO") and Maui Electric Company, Limited ("MECO"). DBEDT refers to the three companies collectively as the "HECO Companies."

13 *Id.* at ES-13.

14 Biofuels Study Final Report to the Legislature In Accordance with Act 203, Session Laws of Hawaii, 2011, State of Hawaii Dept. of Business, Economic Development & Tourism (December 2012) at i. This report is available at: http://files.hawaii.gov/dbedt/annuals/2012/2012-biofuels-study-act-203.pdf.

15 http://www.armyeitf.com/.

Task Force seeks to ensure that favorable project sites move to completion and that the Army achieves its renewable energy goal of deploying one gigawatt of renewable energy by 2025. Incorporating oil-based fuels as part of this Project would run counter to this goal. The Notice states that the purpose of the Project is to meet the common needs of Hawaiian Electric and the U.S. Army Garrison—Hawaii for secure, reliable, and renewable power generation.[16] Building petroleum-based electricity generation units is not part of a clear generation scheme that: 1) promotes and maximizes the use of locally produced renewable energy; and 2) increases fuel diversity by moving away from oil-based options.

The State has an interest in diversifying its energy portfolio and leveraging our international status as a clean energy test bed. The State is fortunate to have ample access to natural resources, including the sun, wind, ocean, bioenergy, and geothermal resources.[17] Additionally, the State has numerous additional options to enhance fuel diversity that are consistent with DBEDT's support for an "all of the above" strategy to accomplish these goals. For instance, cost competitive liquefied natural gas ("LNG") could play a limited, transitional role in the power generation market.[18] LNG, rather than the more expensive diesel, could provide generation for peak load demand. There is currently a surplus of natural gas in our country, evidenced by the proposed export terminals at Cove Point, MD, Sabine Pass, TX, and the Gulf of Mexico, among others.[19] The federal Department of Energy has been approving LNG terminal export licenses, thus expanding the use of LNG. These successful examples of LNG integration suggest a positive potential for the use of LNG to meet Hawaii's demand for cleaner energy and a more diverse supply.

Consistent with the goals of the Army Energy Initiatives Task Force, natural gas can be used in combination with renewables to solve intermittency and improve energy reliability.[20] This type of strategy would help the Army meet its three driving principles of energy security, mandates, and economic benefits.[21]

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16 Notice at 2:29-30.

17 *See* State of Hawaii Energy Resources Coordinator's Annual Report 2013 at 9 (providing Hawaii renewable energy generation by resource). This report is available at: http://files.hawaii.gov/dbedt/annuals/2013/2013-erc.pdf.

18 HECO noted in its IRP Report, "[f]or the fuel-burning generation fleet (existing and future), LNG may be the lowest-cost fuel, and to the benefit of customers, may be substantially lower cost than ultra-low-sulfur diesel (ULSD). The use of ULSD may be necessary to comply with more stringent environmental regulations, and LNG would be an attractive alternative to more expensive ULSD." IRP Report at ES-19.

19 http://www.ferc.gov/industries/gas/indus-act/lng/lng-proposed-potential.pdf.

20 Energy Initiatives Task Force, Collaboration for Energy Security, slide 14 (February 7, 2014), *available at* http://energyoutlook.naseo.org/Data/Sites/3/presentations/Simpson.pdf.

21 *Id.* at slide 15. The Army must satisfy multiple renewable energy mandates under Section 203 of the Energy Policy Act of 2005, Executive Order 13514, the National Defense Authorization Act of 2007, and President Obama's Climate Action Plan. *See* http://army-energy.hqda.pentagon.mil/renewable/renewable.asp (summarizing targets under the Energy Policy Act of 2005 and the National Defense Authorization Act of 2007); *see also* Executive Order 13514 – Federal Leadership in Environmental, Energy, and Economic Performance, http://energy.gov/eere/femp/downloads/executive-order-13514-federal-leadership-environmental-energy-and-economic-0; *see also* President Obama's Climate Action Plan:

While the Project has the primary stated purpose of grid stability to compensate for an anticipated increase in variable power generation from solar and wind resources, other mitigation strategies should be studied. Variable power generation can be mitigated by employing a host of techniques to enable quick start other than by using diesel generators. For instance, energy storage systems, ancillary services, or demand response methods could be employed to mitigate any loss of biofuel inputs. Other mitigation measures may include better management of certain HECO baseload units on Oahu.[22] The addition or conversion of combined-cycle units may also be evaluated. Furthermore, since the Project is a quick start resource, studies could be conducted to determine if a battery energy storage system ("BESS") system could offer the desired back-up to the biofuel generators, just as a BESS offers operating reserves in the Maui grid.[23] According to HECO, its stated quick load pick-up is a 3-second window and sufficient capacity must be available to restore system frequency.[24] Has a study been conducted to demonstrate that the Project quick start generators can sufficiently restore system frequency without the use of BESS or demand response?

In accordance with the State's renewable energy policies and HECO's own IRP, the Project should take into account a holistic view of the Oahu system. Such an approach should consider not only variable generation equipment capabilities but also utility equipment and operating practices.[25] Furthermore, while the policy goal of the Energy Initiatives Task Force is to increase the use of renewable energy, its other stated aim is to increase such use in a fiscally prudent manner, taking into account life-cycle cost-effectiveness.[26] Accordingly, any mitigation measures such as the Project quick start resource should fit into a holistic, grid-wide strategy to cost-effectively mitigate variable power.

As is evident from the above discussion, DBEDT understands that the Army is open to the consideration of other options for the Project that would meet its objects of procuring reliable, cost-effective and renewable energy, and DBEDT supports that effort. To reach that end, however, DBEDT believes it is important to understand how this Project fits with other ongoing developments to facilitate a cumulative understanding of the environmental, economic and policy impacts of this Project. As such, DBEDT discusses some of the various considerations that should be accounted in this process below.

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http://www.whitehouse.gov/sites/default/files/image/president27sclimateactionplan.pdf. The Army's own goal is to deploy one gigawatt of renewable energy by 2025. http://www.armyeitf.com/.

22 *See* Hawaii Solar Integration Study: Executive Summary, National Renewable Energy Laboratory (June 2013) at 3, available at http://www.nrel.gov/docs/fy13osti/57215.pdf.

23 *Id.*

24 *See* Operating Reserves and Variable Generation, National Renewable Energy Laboratory (August 2011) at 47, available at http://www.nrel.gov/docs/fy11osti/51978.pdf.

25 *See generally*, Hawaii Solar Integration Study: Executive Summary, National Renewable Energy Laboratory at 3.

26 *See* Memorandum re: Energy Goal Attainment Responsibility Policy for Installations, Department of the Army, Assistant Secretary of the Army (Installations, Energy and Environment (August 24, 2012) at 3.

C. Other Proceedings, Developments and Considerations Should Inform the Review of the Project

The Project is proposed to be operated to "meet load and reliability requirements" of the Oahu grid, and to help maintain "grid stability as the amount of power from variable renewable sources (wind and solar) increases over time."[27] The Project is also proposed as one that would "complement, rather than compete with, other existing and anticipated renewable energy sources in the system."[28] Moreover, the various operating scenarios proposed depend on factors such as whether "demand increases, operations of other generating facilities decline, and/or future renewable resources do not develop."[29] Given that these claimed benefits and scenarios are dependent on various other ongoing developments and factors, DBEDT believes it would be imprudent to consider the Project and the various alternatives in a vacuum. It is also clear that environmental reviews require an expansive view of options and impacts. The following are some of the developments and proceedings that could inform the need, cost-effectiveness, environmental impacts and composition of the Project.

This process could be informed by the Hawaii PUC's Reliability Standards Working Group ("RSWG") proceeding in Hawaii PUC Docket No. 2011-0206, which was established to determine how to facilitate the increased use of renewable energy in the islands without compromising grid reliability. The RSWG concluded its work on January 24, 2013. The Independent Facilitator submitted a Final Report on March 13, 2013 and the PUC's selected Technical Review Committee submitted its Report to the Commission in May 2013. The effort of the RSWG resulted in work products and other studies that reflected technical review and recommendations on various factors involved in the consideration, such as ancillary services that can maintain system reliability and better integrate intermittent renewable resources, generation interconnection standard improvements, and methods to reduce renewable generation curtailments.[30] Some recommendations included the initiation of further proceedings. The implementation of the recommendations in those work products and further proceedings would likely influence factors of relevance to the Project's structure and alternative scenarios, such as the enhancement of grid stability, the ability of the system to accommodate new future renewables resources and the likelihood of their development.

Moreover, DBEDT believes that an important consideration is how this Project fits within HECO's overall generation mix. HECO's IRP Report could impact considerations such as load requirements, grid stability, and even the overall cost-impact of the proposed options.[31] In its

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[27] Notice at 2:31-38.

[28] *Id.* at 2:38-39.

[29] *Id.* at 3:35-37.

[30] RSWG Independent Facilitator's Final Report, Hawaii PUC Docket No. 2011-0206 (dated March 17, 2013) at 19.

[31] *See Instituting a Proceeding to Investigate Proposed Amendments to the Framework for Integrated Resource Planning*, Decision and Order, Hawaii PUC Docket No. 2009-0108 (March 14, 2011), Revised Framework at Section II.A ("The goal of integrated resource planning is to develop an Action Plan that governs how the utility will meet energy objectives and customer energy needs consistent with state energy policies and goals, while

IRP Report, HECO noted that its first area of focus was to "make every effort to eliminate the dependency on imported oil for power generation."[32] HECO noted that this would involve deactivation or decommissioning of older, oil-fired steam generators, procuring or developing low-cost, fast track utility-scale renewable energy resources, and converting existing generating units to cost effective renewable and lower carbon fuels, including biomass, biofuels, and LNG.[33] Some of the relevant actions proposed for HECO in the IRP Report may impact the consideration of the Project's composition and use. For instance, the IRP Report noted that "[i]f Honolulu units 8 and 9 are deactivated in 2014 and reactivated in 2017, and Waiau units 3 and 4 are deactivated in 2017, CT-1 converted to combined cycle in 2017, Schofield added in 2017, Honolulu decommissioned or retired in 2018, and no other decommissioning of the remaining firm capacity resources, the IRP scenario analysis indicates that there is a possibility of very limited new capacity need after that."[34] This statement appears to be relevant as to the appropriate fuel mix and the consideration of the six hours a day versus twenty-four hours a day scenarios, as well as the No Action Alternative described in the Notice.[35] In this regard, DBEDT notes that its view on the various scenarios and No Action Alternative will be guided by a holistic perspective consistent with Hawaii's clean energy policies. Once again, it is important to offer the State's perspective that moving away from oil-based generation is critical to our future.

Other questions that are raised include whether the IRP's proposal to convert HECO's CIP CT-1 located in Campbell Industrial Park from a simple-cycle combustion turbine operating on biodiesel, to a combined-cycle combustion turbine/steam turbine should serve as guidance for the Project or whether HECO could use the biodiesel that currently serves CIP CT-1 to serve the Schofield Project.[36] In this regard, HECO noted in its IRP Report that the cost of using biofuels would also be a factor.[37] Additionally, in the Waiver Order, the PUC "direct[ed] HECO to

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providing safe and reliable utility service at reasonable cost, through the development of Resource Plans and Scenarios of possible futures that provide a broader long-term perspective."). In the IRP Docket, DBEDT commented that the PUC should acknowledge the shortcoming in the IRP Report, accept rather than approve the HECO Companies' IRP Report, require the HECO Companies to file for approval prior to implementing specific actions contained in the IRP Action Plans, and establish specific expedited procedures to develop Action Plans that advance the State's clean energy goals. *See, e.g., I/M/O Regarding Integrated Resource Planning*, the Dept. of Business, Economic Development, and Tourism's Reply Comments to Statements of Position in Response to Order No. 31443, Hawaii PUC Docket No. 2012-0036 (filed October 10, 2013) at 3.

32 IRP Report at ES-6.

33 *Id.*

34 *Id.* at 18-35.

35 Notice at 3:26-34; 4:44-5:7.

36 *See* IRP Report at 19-6 to 19-7 (where HECO stated, "With the conversion of CIP CT-1 to combined cycle and adding the capability to burn ULSD and/or LNG with approval of the Commission, the biodiesel that would have been consumed at CIP CT-1 could then be used at this Schofield Generating Station. The Schofield Generating Station is designed to operate at a heat rate (i.e., fuel efficiency) approximately equivalent to that for CIP CT-1 in a combined cycle mode, and approximately twice as efficient as CIP CT-1 in a simple cycle mode. If the biodiesel originally intended for CIP CT-1 were to be deployed at the Schofield Generating Station it would contribute to the Companies' attainment of RPS.").

37 *Id.* at 19-6 (where HECO claimed, "if biodiesel prices are high in the future, a fuel switch to a lower price fuel, such as ULSD or LNG, would be more cost effective. Under a future with lower cost biodiesel, keeping CIP CT-1 on biodiesel is the best option.").

address in any subsequent application relating to the Project, the reasonableness of exclusively using biofuels for the Project."[38] DBEDT acknowledges the PUC's concerns with the potential cost impacts and also recognizes that biofuels may serve well in the power generation market through existing contracts, such that other options from the "all-of-the-above" strategy may also need to be explored. The mix of biofuels and diesel as proposed for this Project could impact the provision of cost-effective, reliable and clean energy to the Army and other ratepayers within the State. DBEDT requests that HECO and the Army take these factors into account as they consider next steps for studying this Project.[39] As noted above, we are concerned that an unlimited reliance on oil-based diesel is inconsistent with the State statutes, State clean energy policy and direction from the Army.

HECO also asserted in the IRP Report that the electrical output from the Project "will normally supply power to all Oahu customers through the Oahu electrical grid. However, during outages that meet the criteria specified in an operating agreement with the Army, [Project] output will be "islanded" to serve only the Army facilities at Schofield Barracks, Wheeler Army Air Field, and Field Station Kunia."[40] There is a need for further information and study on the extent of the need for the facility by Oahu customers currently and to the extent other actions proposed in the IRP Report, technologies, rules, policies or procedures are implemented, including those stemming from the other proceedings discussed in these comments. Similarly, while the IRP Report asserted that the Project's attributes would "enable increased integration of intermittent renewable resources on the Oahu grid (and minimize the potential for energy curtailment,"[41] it is not clear the extent to which these benefits would be realized and how the other potential regulatory requirements discussed herein, among others, would provide similar benefits.

Another salient consideration for this Project is the State legislation and pending investigation into the viability of an inter-island cable.[42] DBEDT believes that the Oahu-Maui interisland marine electric transmission cable that is currently under investigation by the PUC is anticipated to facilitate greater renewable energy development that will displace current fossil generation and reduce the need to develop future fossil generation. Not only did DBEDT's economic analysis demonstrate that the benefits of the inter-island cable would outweigh the costs, DBEDT's analysis found that the inter-island cable would have other benefits such as increasing flexibility in siting new renewable generation, reducing curtailment of renewable generation and providing direct health benefits associated with reduced air emissions of filterable particulate matter,

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38 Waiver Order at 14, n.15.

39 DBEDT also concurs in the other items that the PUC found HECO would need to address in any subsequent application filed related to the Project, such as: (1) the scope and cost of the Project, including as to the size and capacity of the 50 MW Project; (2) whether HECO can provide cost containment for the Project to avoid ratepayers having to pay for cost overruns; and (3) whether reasonable alternatives to the Project were given adequate consideration during the development of the Project. *Id.* at 14-15.

40 IRP Report at 18-17.

41 *Id.* at ES-19.

42 H.R.S. §§ 269-131 to -135, *et seq.*

carbon dioxide, nitrogen oxides and sulfur dioxide.[43] DBEDT's analysis also found that connecting the Oahu and Maui electric systems with a high voltage direct current transmission cable would accommodate transmission of power and ancillary services in both directions and allow the two systems to operate in a coordinated fashion, which would improve the power system economics and reliability on both islands. The construction of such an inter-island cable could have a significant impact on the generation mix in Oahu. This in turn, could potentially reduce the risk of frequency of loss of service to the Army from the other sources of electricity.

Thus, DBEDT submits that the various considerations described above, among others, would have an impact on the Project and any future studies should be reviewed in context with those other developments.

D. It is Imperative to Balance Technical, Economic, Environmental, and Cultural Considerations in the EIS

The EISPN lists several impact categories that have been tentatively identified for consideration in the EIS.[44] DBEDT submits that it is imperative to balance technical, economic, environmental, and cultural considerations in the EIS.[45] Although the Notice identifies some of these concerns, the EIS should fully address the following:

- Technical Considerations: DBEDT has raised some technical considerations above that should be explored by DLNR and the Project proponents. In addition, various statements in the Notice require further support and study. For instance, the Project proponents should provide support for the statement that the Project would allow the grid to accommodate more fluctuating renewable energy than would otherwise be the case.[46] It is not clear what assumptions are being used (*e.g.*, high or low renewable penetration) in making this statement. The Notice also describes two ways in which it expects the penetration of renewable resources to change the load curve.[47] Have the Project proponents completed a study to support these conclusions? If so, what inputs and assumptions were used?

- Economic Considerations: The Army provides critical national security and first responder services. The continued and stable operation of those services is an important state interest. At the same time, the Army has an interest in pursuing cost-effective

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[43] *I/M/O Public Utilities Comm'n Opening a Proceeding to Investigate Whether an Oahu-Maui Interisland Transmission System May Be in the Public Interest*, Initial Public Comments of the Dept. of Business, Economic Development and Tourism in Response to Order No. 31356, Hawaii PUC Docket No. 2013-0169 (filed September 9, 2013) at 6.

[44] Notice at 5:12-42.

[45] *See* State of Hawaii Energy Resources Coordinator's Annual Report 2013 at 3 (explaining that the Abercrombie Administration has focused the next phase of Hawaii's energy transformation on five principles, including "[b]alancing technical, economic, environmental, and cultural considerations.").

[46] Notice at 3:28-29.

[47] *Id.* at 3:18-25.

solutions, and the Draft EIS should consider alternatives that will be more cost-effective for the Army and all other HECO ratepayers. This analysis should not be done in isolation but rather should consider multiple scenarios, such as high or low load forecasts, high or low renewable penetration, high or low biofuel prices, fuel diversity, etc. The Draft EIS should consider that significant price fluctuations in oil have had harmful effects on Hawaii's ability to meet its diversification goals and highly negative economic consequences. These fluctuations cost jobs, hurt businesses, and ultimately harm consumers, including military service members who live on Oahu. In addition, the Notice makes claims that "[b]eing multi-fuel capable, [the Project] would be able to run on a combination of fuels as necessary to ensure operations are economically viable and can continue under adverse operating conditions."[48] The Draft EIS should define "economically viable" and present the incremental cost of using biofuels versus other fuels for the generators to support its claim that the multi-fuel capability option is economically viable. The Draft EIS should consider the fluctuation of diesel prices over time[49] as well as the transportation costs of diesel as well.

- Environmental Concerns: The Notice states that the six biofuel-capable reciprocating engine-generator sets would add 50 MW of firm, utility-owned renewable energy capacity to the Oahu electrical grid.[50] As discussed above, this claim ignores the fact that, as currently proposed, the Project would also rely on diesel. Reliance on diesel fuel, as opposed to cleaner and greener energy sources that would help control greenhouse gas emissions, does not advance Hawaii's and the Army's renewable goals.

- Cultural Concerns: The Notice generally states that the EIS should consider cultural and historical resources (including Native Hawaiian resources), but does not specifically identify which resources will be impacted by the Project. The Project proponents should coordinate with other agencies, including the Office of Hawaiian Affairs, the National Park Service, the Hawaii Island Burial Council, the State Historic Preservation Division, and the Historic Hawaii Foundation, among others, to determine which cultural and historical resources are of concern on the Schofield Barracks and Wheeler Army Airfield. The Draft EIS should take steps to ensure that historical, archaeological, and architectural sites are sufficiently protected.

These considerations must not be viewed in isolation but rather the Draft EIS should balance these interests.

II. Conclusion

The concerns raised herein demonstrate that the Project as currently proposed would not be in the

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48 *Id.* at 5:15-17.

49 Biofuels Study Final Report to the Legislature in Accordance with Act 2013, Session Laws of Hawaii, State of Hawaii, Department of Business, Economic Development & Tourism at 5 (December 2012) (showing that fuel oil prices paid by Hawaii's electric utilities have varied from $59/barrel up to $120/barrel from 2006-2011).

50 Notice at 2:34-35.

best interests of the State, the Army and other Hawaii ratepayers. As such, DBEDT supports review of other alternatives that would better serve the State's energy policy and the energy security and economic interests of the State and the Army and consideration of other developments, proceedings and other factors that would inform the review of the Project.

We appreciate the opportunity to provide these comments for use in the preparation of the Joint EIS and DBEDT formally requests to be added to the EIS distribution list. If you have any questions, please feel free to contact me at (808) 587-3812 or mark.b.glick@dbedt.hawaii.gov.

Sincerely,

Mark B. Glick
Energy Administrator

October 2, 2014

Mr. Mark Glick, Energy Administrator
Department of Business, Economic Development & Tourism
State of Hawai'i
P.O. Box 2359
Honolulu, Hawai'i 96804

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice

Dear Mr. Glick:

Thank you for the Department of Business, Economic Development & Tourism's (DBEDT's) February 28, 2014, letter to the State of Hawai'i Department of Land and Natural Resources (DLNR) and Tetra Tech Inc. concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Project (Project). Because Hawaiian Electric is the applicant seeking approval for the proposed Project, DLNR has asked that we respond. Hawaiian Electric appreciates your input to the EIS process for this Project, and provides the following responses to your comments.

Comment A. "Building Petroleum-based Electricity Generation is Contrary to Hawai'i's Energy Policy and is Not in the Public Interest in Hawai'i"

Response: We appreciate your comments concerning the Hawai'i Renewable Portfolio Standard (RPS) and your concerns regarding the use of petroleum-based fuels. Please be assured that the Project is not a "diesel-based electricity generation unit." Rather, as clarified in our subsequent application filed with the Public Utilities Commission (PUC) as docket 2014-0113, the Project will use a minimum of 50% biofuel, and also consume a minimum of 3.5 million gallons of biofuel annually. It is this requirement that formed the basis of our statement that the Project will contribute to our ability to continue to meet or exceed the State RPS mandate. For the balance of its fuel needs, the Project could use additional biofuel (e.g, biogas or biodiesel), natural gas, or diesel if natural gas is not available.

In accordance with the requirements of National Environmental Policy Act (NEPA) and Hawai'i Revised Statutes (HRS) Chapter 343, the Draft EIS will provide greater detail concerning the mix of fuels under consideration consistent with purpose and need for the Project, and disclose the environmental impacts thereof. The importance of fuel mix and flexibility to this Project, in the context of broader energy policy considerations, is discussed in our PUC application (docket 2014-0113) and our Power Supply

Improvement Plan (PSIP) filed with the PUC on August 26, 2014 in docket 2011-0206, and will be more appropriately addressed in those proceedings.

Comment B. "Other Alternatives that Would Foster the State's and Army's Interests Should be Considered"

Response: We appreciate your comments concerning the advantages of enhancing fuel diversity and your "all of the above" strategy to accomplish these goals. In accordance with NEPA and HRS Chapter 343, the Draft EIS will provide information on strategies and alternatives that would support energy security, reliability, and increased integration of renewable generation, consistent with the purpose and need for the Project. Like you, Hawaiian Electric supports cost competitive liquefied natural gas (LNG), and has incorporated its use into the Project as a less expensive, cleaner fuel than diesel.

While the Draft EIS will review the environmental impacts of the proposed Project, how this Project fits in more broadly with other state- and system-wide energy initiatives that you mentioned is discussed in our PUC application for this Project and in our PSIP, and will be explored in those proceedings.

Comment C. "Other Proceedings, Developments and Considerations Should Inform the Review of the Project"

Response: We appreciate your comments regarding resources that may inform the Project. The Draft EIS will take into consideration any proceedings that are relevant to the purpose and need for this Project, and that are within the scope of this Draft EIS, as prescribed by NEPA and HRS Chapter 343. However, the primary purpose and focus of the Draft EIS will be to disclose the environmental impacts of the Project and available alternatives, so that those impacts may be considered by decision-makers in their later consideration of this Project.

Regarding the Reliability Standards Working Group and Integrated Resource Planning dockets that you reference, Hawaiian Electric has addressed the issues raised therein, many of which are consistent with your concerns, in our recently filed PSIP and Distributed Generation Interconnection Plan (filed 26, 2014 in docket 2011-0206).

Comment D. "It is Imperative to Balance Technical, Economic, Environmental, and Cultural Considerations in the Joint EIS"

Response: The purpose of both NEPA and HRS Chapter 343 is informed decision-making. With this in mind, the Draft EIS will describe the technical, economic,

environmental and cultural impacts of the Project and its alternatives. However, it is the purpose of environmental reviews to disclose the environmental impacts of a project, not to balance them. Consistent with this distinction, we have addressed in our PUC application for this Project the technical and economic concerns that you raised, and which we expect will be fully explored in the PUC proceedings. Your environmental and cultural concerns will be considered through the EIS process.

We will provide DBEDT copies of the Draft EIS when it is available, and you will have an opportunity to provide additional comments at that time. If, in the meantime you have any questions or would like to discuss this further, please call me at 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

copy: (via email only)
Mr. Alex Roy, Hawai'i Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison – Hawai'i
Ms. Kathy Ahsing, US Army Office of Energy Initiatives

NEIL ABERCROMBIE
GOVERNOR

GLENN M. OKIMOTO
DIRECTOR

Deputy Directors
FORD N. FUCHIGAMI
RANDY GRUNE
AUDREY HIDANO
JADINE URASAKI

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:
DIR 0127
STP 8.1483

February 21, 2014

TO: THE HONORABLE WILLIAM J. AILA, JR., CHAIRPERSON
DEPARTMENT OF LAND AND NATURAL RESOURCES

FROM: GLENN M. OKIMOTO, PH.D.
DIRECTOR OF TRANSPORTATION

SUBJECT: SCHOFIELD GENERATING STATION PROJECT
ENVIRONMENTAL IMPACT STATEMENT PREPARATION NOTICE (EISPN)
TMK: (1) 7-7-001: 001, 002; 7-3-001:001, 002, 006-009, 011-013, 019, 022 and 024; 7-6-001:001 and 006; 9-4-012:001, 003 and 011

Our Department of Transportation's (DOT) comments on the subject project are as follows:

1. The project construction plans and other applicable plans/permits for work within the DOT State highway right-of-way must be submitted to the DOT Highways Division for review and approval.

2. A permit from the DOT Highways Division is required for the transport of oversize and/or overweight materials and equipment on State highway facilities.

If there are any questions, please contact Mr. Norren Kato of the DOT Statewide Transportation Planning Office at telephone number (808) 831-7976.

EKT:gm

c: Melissa DeSantis, Tetra Tech, Inc.
Jack Shriver, Hawaiian Electric Company

bc: HWY-P (w/incoming), STP (7-7-001-001)

April 1, 2014

Mr. Glenn M. Okimoto, Director
Department of Transportation
State of Hawai'i
869 Punchbowl Street
Honolulu, Hawai'i 96813-5097

Subject: Schofield Generating Station Project:
Environmental Impact Statement Preparation Notice (EISPN)

Dear Mr. Okimoto:

Thank you for your February 21st 2014 letter to the Department of Land and Natural Resources (Reference DIR 0127 STP 8.1483) concerning the Environmental Impact Statement Preparation Notice (EISPN) for the Schofield Generating Station Project. We appreciate the time that you and your staff spent reviewing the EISPN and preparing your letter. Because Hawaiian Electric is the applicant seeking approval for the proposed project, DLNR has asked that we respond.

Hawaiian Electric understands that it may be required to obtain a permit from the Highways Division of the State of Hawai'i Department of Transportation (DOT-Highways) for the transport of oversize and/or overweight vehicles. The company and/or its contractors will submit project construction plans and other applicable plans and permits that may be required for work within your Department's right-of-way to DOT-Highways for review and approval prior to commencement of construction activities. We will also provide a copy of the Draft Environmental Impact Statement to you for review and comment when it is available.

In the meantime, if you have any questions or would like to discuss the project further, please call me at (808) 543-4088.

Sincerely,

Jack Shriver
Senior Engineer,
Generation Project Development
Hawaiian Electric Company

cc: (via email only)
Mr. Alex Roy, Hawaii Department of Land and Natural Resources Office of Conservation and Coastal Lands
Ms. Stephanie Gardin, Office of Public Affairs, US Army Garrison—Hawaii
Mr. Doug Waters, US Army Energy Initiatives Task Force