



KALAELOA PARTNERS L.P.

Community Outreach and Engagement Plan 2024

Background

Kalaeloa Partners L.P. ("KPLP") owns and operates one of Oahu's major independent power producers that has provided energy and firm capacity to Hawaiian Electric for over 30 years. KPLP commenced operations in 1991, providing a maximum plant output of 180 MW. In 2005/2006, a multi-million-dollar efficiency improvement was installed, increasing the plant output to 208 MW of firm capacity to Hawaiian Electric. Providing approximately 20% of Oahu's electricity demand, KPLP is a combined cycle co-generation facility, with two combustion turbines and a steam turbine, and uses low sulfur fuel oil (LSFO) to generate electricity delivered to Hawaiian Electric and processed steam delivered to PAR Hawaii.

Crude oil is imported to the island for uses such as air and ground transportation which utilize jet fuel, gasoline, diesel, etc. KPLP **does not import oil** to generate electricity. Instead, it uses LSFO which is the left-over residual fuel oil after the above-mentioned refining process of crude oil ([see Annex B](#)). LSFO has a low sulfur content of less than 1%. LSFO can only be used for conventional power plants, marine vessels and the production of asphalt. Unused LSFO would have to be shipped to other parts of the world which comes with an environmental risk and at a high cost.

Since 1997, KPLP has been part of the Public Service Enterprise Group (PSEG), together with [Harbert Management Company](#) (HMC) in a 50/50 limited partnership arrangement until June of 2023, when HMC acquired PSEG's shares and became the sole owner of KPLP.

HMC strongly supports KPLP's efforts to assist the State of Hawaii in moving toward its clean energy goal of 100% renewable energy by the year 2045. KPLP has successfully tested its combustion turbines with **100%** biofuels and demonstrated that, if and when a switch to such fuel is required, it can accommodate such a request.

Operations

The power plant provides significant and critical capabilities that enable KPLP to ramp its load output in either direction quickly and efficiently to help meet Hawaiian Electric's energy needs. These ancillary services assist the utility in maintaining all-important grid stability. These benefits provided by KPLP have become increasingly important as Hawaiian Electric's system incorporates more and more intermittent renewable energy resources (mostly wind and solar), although intermittent resources may be supplemented with battery energy storage.

10-YEAR EXTENTION ARPPA

Hawaiian Electric and KPLP have negotiated an Amended and Restated Power Purchase Agreement (ARPPA) to extend its term for 10 years up to December 31, 2033. The agreement will reduce the price of energy and firm capacity provided to Hawaiian Electric, provide for certain equipment improvements to maintain

and enhance KPLP's efficiency, and include an option to switch from LSFO to an alternate fuel, such as various biofuels. KPLP has also provided steam to Oahu's remaining oil refinery for use in its refining operations and will continue to do so.

30-YEAR EXTENTION RFP3 BASE PROPOSAL

In 2023, KPLP responded to Hawaiian Electric's Contract 3 - Request For Proposal (RFP3), which is seeking an additional 30 years of dispatchable 200 MW of firm capacity with fuel flexibility including fossil fuel and biofuel options with an anticipated commercial operation date (COD) in the early year 2033.

As of December 2023, KPLP has been awarded the opportunity to commence the Power Purchase Agreement (PPA) negotiations for a potential 30-year extension with the Base Proposal under [Hawaiian Electric's Contract 3 – Request for Proposal](#) (RFP3) ([see Annex A](#)).

KPLP will benefit from its 32+ years of successful experience in safe, reliable, flexible and cost-effective power generation. The proposed plan includes the option of changing from fossil fuel to biofuel if requested by Hawaiian Electric in support of the State's 100% renewable energy goal by the year 2045. The existing KPLP plant configuration and flexible mode of operation will remain as is.

The existing facility will receive a major overhaul as the life expectancy of most of the components will be reached and then replaced with new equipment in kind. This approach will significantly reduce the cost and down time compared to the construction of a new power plant. This will also avoid time consuming and costly re-permitting of the power plant.

With the KPLP power plant already in existence, there will be no adverse construction impact to the community and neighbors due to heavy construction equipment, dust, noise etc. Furthermore, equipment will be replaced in phases, where a portion of the existing plant will continue to operate at part load to support Hawaiian Electric with its needs for reliable energy.

In summary:

- Take advantage of KPLP's experience and knowledge with the existing plant and personnel
- Avoid re-permitting of the facility
- Significantly reduce cost and time by extending the life of the existing facility vs constructing a new facility
- Avoid significant disruptions to the community and their daily commutes/activities
- Minimize energy supply interruptions to our customer with a "phased equipment replacement approach" allowing the plant to operate on part load to support Hawaiian Electric

Community Outreach

Starting in the late 1990s, KPLP has recognized the importance and value of community outreach for education, healthy lifestyle, and charity. In 2000, KPLP started a well-received community outreach campaign and program which grew year after year. KPLP will continue to do this by remaining a responsible partner to the community now and in the future. This support includes contributing over \$1 million in the past four years alone.

KPLP is one of the early tenants in the James Campbell Industrial Park ("JCIP"), which was originally zoned and developed as Oahu's principal location for major industrial enterprises, including close proximity to the Barber's Point Harbor. As such, its location is near the Par Hawaii Refinery, Hawaiian Electric's High Voltage Pole storage yard, and its Single Cycle Power Plant, as well as the City's H-Power municipal solid waste disposal and power facility, the Hawaii Gas SNG production plant, and similar major and intermediate-sized industrial facilities.

As a major industrial tenant in the JCIP, KPLP is a founding member of the Kapolei Local Emergency Action Network (KLEAN). KLEAN was formed in the mid 1990s as a voluntary, non-government non-profit local organization to bring together industry, emergency responders, and the community to effectively prepare for emergencies and to promote the welfare of the people and surrounding areas.

KPLP has not only recognized both the importance and value of being a good corporate citizen and neighbor, but also its civic and business obligation to be one. As a result, KPLP has become involved with, and continues to support multiple organizations in the 3 Pillars of Service being Community, Education and Health. KPLP continues its community outreach efforts as described below.

Community Meetings and Public Involvement

KPLP will continue its community engagement initiatives by arranging opportunities for community members, organizations and other stakeholders to learn about KPLP, including visiting its facility, and its role in providing energy for Oahu and supporting Hawaii's clean energy goals.

Throughout its existence, KPLP has invited businesses, community members, government officials, industry leaders, students, and the general public to join KPLP at our two types of meetings:

- The first are small group meetings which include a presentation on KPLP's facility, a tour of the plant, and a subsequent question and answer session. The meetings are tailored to meet the goals and interests of the attendees, whether it is a school group learning about how electricity is made or government officials seeking a better understanding of KPLP's generating potential.
- The second are meetings for larger groups, and include presentations on KPLP's plant operations, emissions controls, commercial aspects of energy, and social responsibility programs, followed by a question-and-answer session. This large group setting is designed to be a public meeting in which KPLP provides an operational and administrative update on its operations and plans as well as an opportunity for members of the public to ask and share concerns.

Both the large- and small-group meetings occur throughout the year and may be requested by a group or by invitation from KPLP.

Public comments in support of and in opposition are compiled and filed with the Hawaii Public Utilities Commission (PUC).

Among the many participants in these meetings have been:

- The City of Honolulu Climate Change, Sustainability, and Resiliency Office
- Division of Consumer Advocacy Staff
- Hawaii State Energy Office (HSEO)
- Hawaii PUC Staff
- State Department of Health Clean Air Branch
- State Department of Health Safe Drinking Water Branch
- State Senate Committee on the Department of Energy, Economic Development, and Tourism (DBEDT)

Other participants have included organizations such as:

- Blue Planet Foundation
- Kapolei Rotary Club
- Life of the Land
- Ulupono Initiative
- Numerous public and private schools in the surrounding communities
- Community organizations such as the American Heart Association and the American Red Cross.
KPLP
- Facilities and organizations such as James Campbell High School, University of Hawaii Leeward Community College, and the University of Hawaii West Oahu campus.

Community Support

In addition to meetings and outreach described above, KPLP is maintaining our 30+ year relationship with the Leeward community through our Social Responsibility program, the foundation of which is to serve the community where we work, learn, and live. In this process, KPLP has identified and focused on 3 Pillars of Service — Community, Education, and Health. This aims to support community non-profit organizations in ways that enable them to continue their mission within the community. KPLP's decision to provide support is based upon the current needs of the community and approval by KPLP's partners.

Communication

KPLP uses different ways to inform the public depending on the nature of the communication. For non-emergency matters (e.g., current events or upcoming large group meetings), KPLP uses email and paper notifications via U.S. mails, social media, and their website. In the event of an emergency, Force Majeure event or other facility issue causing or resulting in adverse impacts and effects upon the community, KPLP is prepared to send out timely information through news outlets and radio as well as the resources mentioned above.

Maintaining lines of communication between the public and KPLP can be achieved through the following:

Mailing Address:	Kalaeloa Partners, L.P. 91-111 Kalaeloa Boulevard Kapolei, HI 96707
Telephone Line:	(808) 682-5288
Website:	www.kalaeloapartners.com
E-mail:	hans.tobler@kalaeloapartners.com
General Manager:	Hans R. Tobler, PE

Future Community Engagement Plans and Actions

KPLP has been in operation for 30+ years and is looking forward to supporting Hawaii's future energy goals and maintaining a connection to the community. This Community Outreach and Engagement Plan reiterates the fact that KPLP is committed to continuing to be a meaningful and engaged contributor to the community by listening to and supporting the community's needs.

Future Community Meetings and Public Involvement

KPLP has long hosted and sponsored site visits and educational tours of its facility for elected officials, government and regulatory agencies, community stakeholders, surrounding businesses, and public and private educational and civic institutions.

KPLP plans to continue virtual meetings, hybrid meetings, facility tours for all interested parties such as high school students and teachers, education officials, community and industry organizations, and its neighbors in the Kapolei and James Campbell Industrial Park areas. Future topics for discussion include, and are not limited to, current updates for the ARPPA and RFP3, operational performance measures, and environmental permits status, which are listed below:

- Covered Source Permit (CSP)
 - Permit Number: 0214-01-C
 - Issue Date: 5/16/2008
 - Requires renewed permit every five years

- Underground Injection Control (UIC) Permit for Class V, Subclass AB Injection Well System Consisting of Two (2) Injection Wells
 - Permit Number: UO-1496
 - Issue Date: 2/20/2018
 - Requires renewed permit every five years

- National Pollutant Discharge Elimination System (NPDES) Conditional “No Exposure” Exclusion (CNEE)
 - File Number: HI 03BB457
 - Issue Date: 8/25/2017
 - Requires renewed permit every five years

In addition to the continuation of meetings described above, KPLP also plans to host regularly scheduled quarterly community outreach meetings to provide neighboring community organizations and residents, public officials, the general public, and other stakeholders the opportunity to learn and be updated on the above regarding KPLP and its operations and future plans, including its benefits to Oahu's energy ecosystem, and to engage in a dialogue about any concerns, mitigation measures, and community benefits.

To announce the meetings, KPLP will promote the meeting to raise community awareness on their website, social media, media advisories, neighborhood news ads and will distribute notices to the Kapolei businesses and community through USPS – Every Door Direct Mailing (EDDM) and or email(s). These meetings will consist of a PowerPoint presentation which will include updates throughout all phases of the project, a question-and-answer session, followed by a 30-day comment period. Please visit KPLP’s website to view prior virtual community meetings at www.kalaeloapartners.com.

The 2024 Preliminary Quarterly meeting schedule is as follows (subject to change):

Preliminary Community Meeting Schedule for 2024	
Quarter 1	Monday, March 25
Quarter 2	Monday, June 24
Quarter 3	Monday, September 30
Quarter 4	Monday, November 25

As we near the dates, in the interest of the public health and safety, the conditions at the time will determine if in-person meetings or virtual only meetings will be scheduled. Please check back for updates.

Future Outreach and Community Support

KPLP evaluates their Outreach and Community Support Program on an annual basis which allows for flexibility and creativity in how conversations are started and funding is distributed. This is how KPLP acknowledges the importance of recognizing and supporting organizations within the community whose goals are to serve the people and protect the land. By having these meaningful conversations, KPLP remains current on the needs of the community and is able to target funding to meet these needs.

Each year, KPLP works with non-profit organizations which fall into three categories – Community, Education, and Health. These 3 Pillars of Service are the foundation of KPLP’s Outreach and Public Involvement. KPLP will continue this Outreach and Community Support program throughout its operational lifetime.

Please see [KPLP’s website](#) for detailed information and links to most of the organizations supported to find detailed information on how they are serving the community.

The plan for 2024 is to continue and expand upon the initiatives of previous years.