

## FOR INFORMATION

### I. SUBJECT

Kalaeloa Community Development District electrical survey for the handover of the existing electrical grid from Naval Facilities Engineering Systems Command (NAVFAC) Hawaii to the Hawaiian Electric Company (HECO).

### II. BACKGROUND

The electrical grid in Kalaeloa has long been a challenge for the residents and businesses in the community. The instability of the grid and its deteriorating electrical facilities has caught the attention of the Congressional delegation. The Congressional delegation would like the electrical grid improved and transferred from NAVFAC to HECO.

In July of 2023, HECO was awarded a \$6 million contract through a Request for Proposals (RFP) from the U.S. Navy to survey the existing electrical grid at Kalaeloa. HECO has subcontracted Power Engineers to develop a 30% engineering design and cost estimate to handover the grid. HECO's commitment is to connect all current customers to the new HECO grid at the completion of the handover.

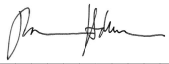
On December 22, 2023, the National Defense Authorization Act (NDAA), FY 2024, PL No. 118-31. SEC. 2856, was signed by the U.S. Congress. This authorized The Secretary of the Navy to, "*enter into an agreement with the State of Hawaii or a third party for the purpose of resolving the electrical utility operations at Former Naval Air Station Barbers Point, Hawaii, also known as 'Kalaeloa'.*" The agreement with the State of Hawaii or third party shall, "*assist with the transfer of customers of the Navy off of the electrical utility system of the Navy at the location specified in such subsection; and the enhancement of the surrounding electrical utility system to accept any additional load from such transfer, with a priority for such systems that serve downtown Kalaeloa, Hawaii, and the Hawaii Army National Guard*". The funding limitations for this work by the Navy is "*not more than \$48,000,000 during any fiscal year*". The funding under the NDAA is still pending in the congressional budget cycle.


### III. SURVEY

HECO and Power Engineers will be conducting both Light Detecting and Ranging (LiDAR) and aerial drone surveying throughout the district in February and March of 2024. These surveys will be used towards the final cost estimate and design for the electrical grid handover. Cost estimation and design will follow the survey.

Through the State legislative budgeting process, we are asking that approximately \$16,000,000 in general funds (for Kalaeloa electrical work) that was appropriated during the last legislative session be converted to general obligation funds. If that amount is

appropriated and released, we will commence upgrading the electrical grid on a major commercial corridor in Kalaeloa.

Prepared By: Mark Hakoda, Capital Improvement Projects Director  \_\_\_\_\_

Reviewed By: Craig K. Nakamoto, Executive Director  \_\_\_\_\_