



## HAWAI'I COMMUNITY DEVELOPMENT AUTHORITY

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### **NAVY PROVIDES \$18 MILLION TO IMPROVE KALAELOA ELECTRICAL SYSTEM**

#### **FOR IMMEDIATE RELEASE**

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KALAELOA – In an unprecedented partnership between the U.S. Navy and the state of Hawai'i – Hawai'i Community Development Authority (HCDA), the Navy is transferring \$18 million to HCDA to begin the upgrade of electrical infrastructure in Kalaeloa.

This effort is accomplished through the Navy's and HCDA's first Intergovernmental Support Agreement (IGSA) in Hawai'i. An IGSA is a type of partnership that allows military services and local or state governments to provide, receive, or share installation support services when mutually beneficial. This phase will transfer existing non-Navy customers from the Navy electrical distribution system to the Hawaiian Electric Company (HECO) distribution system.

“To develop options for divesting of the Navy electrical distribution system. This unique Navy-state partnership leverages each other's strengths,” said Rear Adm. Steve Barnett, Commander, Navy Region Hawai'i. “This effort will build stronger community relationships and support the community by starting the transition from Navy to HECO power in Kalaeloa.”

The 2024 National Defense Authorization Act (NDAA) requires the Navy to pay reasonable costs to transfer all customers from the Navy-owned electrical distribution system, originally installed to support the Barbers Point Naval Air Station in Kalaeloa, which was divested through the Base Realignment and Closure (BRAC) process, in the 1990s. Since the closure of the Air Station, the Navy has had limited ability to modernize the aging electrical system and the system's reliability has been a challenge. HCDA has been able to install some new infrastructure, and this Navy-HCDA IGSA leverages that work.

“With funds from the Hawai‘i Legislature, HCDA built the Enterprise Energy Corridor, which extends along Enterprise Avenue. It was built to the current industry standard and was transferred to the Hawaiian Electric Company (HECO) to operate and maintain,” explained Craig Nakamoto, executive director of HCDA. “Strategically, the Kalaeloa Airport, the film studio, and the Hawai‘i Army National Guard are all on Enterprise Avenue and have been selected to be transferred from the Navy-owned system to HECO, in this phase.”

This year, the Navy was provided \$18 million for this project through the FY24 Consolidated Appropriations Act.

"Navy Region Hawai‘i and HCDA were able to collaborate effectively and expeditiously, and we now have a mechanism in place to continue the effort," said Rear Adm. Barnett. "This is an encouraging start, and I'm pleased to see progress through partnership."

In addition to this first transfer of customers, planning is underway for the transfer of the remaining customers. In 2023 the Navy funded a study by HECO, slated to be completed next summer, to develop a plan to replace the Navy-owned electrical system with a system owned and operated by HECO. This is the first step toward replacing the Navy electrical distribution system.

### About HCDA

In 2002, the Kalaeloa Community Development District was established by the Hawai‘i State Legislature, transferring the responsibility for redeveloping the nearly 3,700 acres, encompassing the former Barbers Point Naval Air Station, to HCDA. Section 206E of the *Hawai‘i Revised Statutes* authorizes HCDA to provide improvement, relocation, or extension services for military installations in connection with infrastructure improvements for the Kalaeloa district.

Administratively attached to the Department of Business, Economic Development and Tourism, HCDA’s primary functions are to plan and implement 1) community plans, 2) infrastructure improvement and public facilities projects, and 3) initiatives that increase economic, social, cultural and environmental value in community development districts and transit-oriented development zones.

### About Commander, Navy Region Hawai‘i

Commander, Navy Region Hawai‘i is the regional coordinator for all shore-based naval personnel and shore activities in Hawai‘i and serves as, the Navy’s representative to the Hawai‘i community. Today, the Navy in Hawai‘i has grown into a major fleet concentration area for more than 25,000 sailors and 10,000 civilian employees working in more than 60 commands located on O‘ahu and Kaua‘i. The Navy has the largest military presence in Hawai‘i and contributes more than \$2 billion annually to the local

economy, including \$1 billion in salaries and \$1 billion in operations, contracts and local purchases. Navy Region Hawai'i at Joint Base Pearl Harbor-Hickam provides key services to maintain the safety and vital infrastructure that allows the Navy to operate efficiently in Hawai'i.

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