

Renewable Energy Development in Hawaii

An Interview with Sandra Larsen, Hawaii Market Business Leader, The AES Corporation

EDITORS' NOTE Sandra Larsen is the Hawaii Market Business Leader for The AES Corporation, a Fortune 500 global energy company accelerating the future of energy, and a long-time provider of low-cost electricity in the Hawaiian Islands. She is responsible for driving AES' strategy, planning and operations to help Hawaii fulfill its commitment to a 100 percent renewable energy future by 2045. Larsen has 18 years of extensive experience directing strategic initiatives and



Sandra Larsen

managing regulatory filings relating to energy and shipping. She serves on the board of directors for the Boys and Girls Club of Maui, National Asian Pacific American Bar Association, and American Red Cross of Hawaii, along with serving as an Executive with Heart leader for the American Heart Association. Larsen graduated with a JD degree from the University of Hawaii at Manoa William S. Richardson School of Law.

Will you provide an overview of AES' business and how you define the company mission?

The AES Corporation is a Fortune 500 global energy company accelerating the future of energy. Together with its many stakeholders, AES serves nearly 25 million people and is improving lives by delivering the greener, smarter energy solutions the world needs. The company's diverse workforce is committed to continuous innovation and operational excellence, while partnering with customers on strategic energy transitions and continuing to meet their energy needs today.

AES shares the State of Hawaii's vision for achieving a 100 percent renewable energy future by 2045. The company currently has several significant projects in operation or under development in Hawaii's four island counties that will deliver 300 MW of renewable energy for use by residents and businesses. We believe the projects and vision we are implementing are essential to the state's transition to a more sustainable energy future.

Will you highlight AES' power facilities on the Hawaiian Islands, including solar, wind, and energy storage systems, and discuss some of the renewable energy projects that AES is working on throughout Hawaii?

On a statewide basis, AES' clean energy projects in operation and under development will power approximately 234,000 homes, save the equivalent of 100,000 metric tons of carbon dioxide from being emitted into the atmosphere annually, and will offset more than seven million barrels of fossil fuel over the projects' lifecycle.

AES is proud to be on the leading edge of renewable energy development in Hawaii. When our Lawai solar + storage project was commissioned three years ago on the island of

Kauai, it was the largest solar photovoltaic and battery energy storage facility in the world. The industry took notice of this achievement, with the Lawai project earning the Edison Electric Institute's prestigious Edison Award. The Lawai project is delivering impressive results for Kauai with 28 MW and a 100 MWh battery energy storage system, which is providing 11 percent of the island's energy and enabling Kauai Island Utility Cooperative to reach its goal of 50

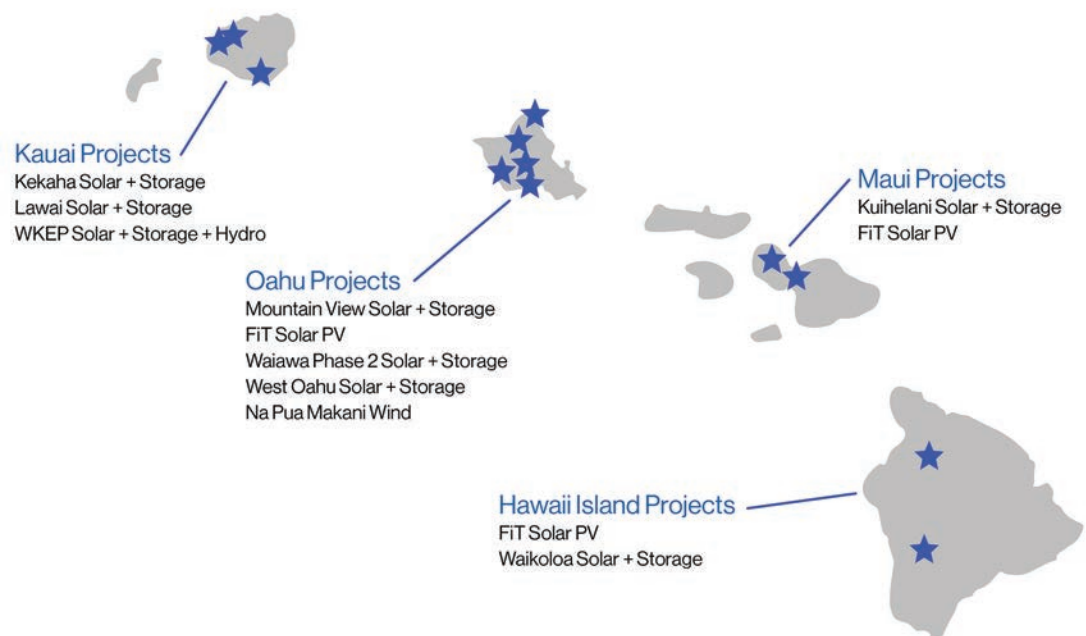
percent renewable energy generation four years ahead of schedule.

Our West Oahu solar + storage project began site preparation in May 2022 and will serve as another example of AES meeting community needs. Created in partnership with the University of Hawaii, the West Oahu project will ensure an equitable balance between the production of renewable energy and the use of open land for agricultural purposes. The installation of a 12.5 MW Solar PV and a 50 MWh battery energy storage system will produce and store renewable energy providing power to Oahu customers, while the facility's design will allow for cattle grazing and beekeeping.

AES is developing a visionary energy plan for Hawaii based on the success of similar projects that have been implemented in other locations around the world. Will you discuss this plan and the impact that AES believes it will make for Hawaii's future?

For the past 30 years, AES' coal-fired power plant on Oahu has been providing up to

AES' Clean Energy Solutions in Hawaii



HAWAII'S ENERGY FUTURE

20 percent of the island's energy needs at the lowest-available cost to consumers. The power plant is being shut down on September 1 of this year in accordance with state law.

Earlier this year, we announced our intent to exit coal by 2025, largely decarbonizing our operations worldwide over the next three years. Our transition to greener, smarter energy projects, both in Hawaii and around the world, exemplifies AES' commitment to a cleaner energy future.

AES currently has six renewable energy projects moving forward with development across the state – more than any other developer. Our clean energy transition is welcomed by local leaders, business partners, and stakeholders. Our message is clear: We are part of Hawaii's clean energy solution moving forward.

Will you discuss the challenges that Hawaii is facing around its energy needs and what are the keys to driving lasting, sustainable change in addressing Hawaii's energy future?

Hawaii's transition to clean energy is moving forward, but with a few curves in the road to negotiate. The short-term challenge is that much of Oahu, like the other islands, will be wholly dependent on the volatile oil market when AES' coal plant closes in September and until there are sufficient renewable projects brought online. With the current economic and geopolitical conditions, the unfortunate reality is that consumers should expect higher costs for gasoline and electricity.

The long-term challenge we face is building out the renewable energy infrastructure quickly enough to meet Hawaii's 2045 carbon-free goal. The need for renewable energy is real and we need to work together to understand how it can be incorporated into our communities. Solar

facilities require land, and Hawaii is constrained when it comes to available land. We need to find a balance between the needs for land use.

Making the transition from fossil fuels to renewable energy has been talked about for years, but the time is now, as evidenced by the further rise in global temperatures and the associated impacts of climate change, including rising ocean levels. Hawaii, like the rest of the world, has been impacted by climate change

and other forces beyond our control, including the supply chain delays caused by the COVID-19 pandemic and escalating energy prices because of Russia's invasion of Ukraine.

AES stands ready to help Hawaii meet these challenges and continue on the path toward a cleaner energy future.

Do you see it as a responsibility for leading companies like AES to support the communities they serve and to be a force for good in society?

Absolutely, and AES has always been committed to providing more than energy. We aim to improve lives by working alongside the communities in which we operate. It's our practice to collaborate with government, business, education, and community leaders to identify how AES can support programs that deliver long-lasting benefits to our communities and residents.

In Hawaii, our recent philanthropic efforts and charitable donations have largely focused on programs supporting the environment, education, culture and the arts, and providing relief from the impacts of the COVID-19 pandemic. We are also responsive to emergency situations affecting the welfare of families. For example, when heavy flooding slammed Oahu's north shore, Maui, and Kauai, we made a significant donation to the American Red Cross, and our team also gathered and distributed a variety of essential goods such as cleaning supplies and non-perishable food to families who were hit hardest by the damage.

To ensure we will continue to meet important needs statewide, we have established the AES Hawaii Foundation, which is designed to give back and provide essential funding support for programs and initiatives that have long-term benefits for families and communities. ●

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