



U.S. Department of Energy

Categorical Exclusion Determination Form

<u>Categorical Exclusion Number:</u>	CX-270896
<u>Loan Application Number:</u>	EIR0059
<u>Proposed Action Title:</u>	Waena Battery Energy Storage System (BESS)
<u>Program of Field Office:</u>	Office of Energy Dominance Financing
<u>Location(s) (City/County/State):</u>	Kula, Maui County, Hawaii

Proposed Action Description:

Description of Categorically Excluded Action

The United States Department of Energy (DOE), Office of Energy Dominance Financing (EDF), may provide loan guarantees for energy infrastructure projects under Section 1706 of Title XVII of the Energy Policy Act of 2005, as amended by the Inflation Reduction Act of 2022 (42 U.S.C. 16517) and the One Big Beautiful Bill Act (Pub. L. No. 119-21, 139 Stat. 72 (July 4, 2025)) (the Energy Dominance Financing or EDF Program). The purpose of the EDF Program is to finance projects and facilities in the U.S. that retool, repower, repurpose, or replace energy infrastructure that has ceased operations or enable operating energy infrastructure to increase capacity or output (42 U.S.C. 16517(a)(2) and Pub. L. No. 119-21, 139 Stat. 72 (July 4, 2025)).

EDF is considering whether to issue a loan guarantee of a funding facility to Hawaiian Electric Company (HECO) pursuant to its authority under the EDF Program. In its application, HECO has identified the Waena Battery Energy Storage System (BESS) project (Project) for inclusion in the funding facility that is the subject of DOE's loan guarantee. HECO may request inclusion of multiple individual projects with independent utility in the funding facility that is the subject of the DOE loan guarantee; accordingly, DOE will complete an environmental review pursuant to the National Environmental Policy Act (NEPA) for these projects prior to their inclusion in the funding facility that is the subject of DOE's loan guarantee.

The Project consists of constructing a BESS on a 3.0-acre site near the existing Waena switchyard. Accordingly, the Proposed Action considered in this record of categorical exclusion is EDF's issuance of Federal financial support for the Project.

Project Description

HECO's proposes to install a BESS on a 3.0-acre site adjacent to the Waena switchyard at 8001 Pūlehu Road, Kula, Hawaii. The site is owned by HECO and zoned M-2 Heavy Industrial District. Previously, the project site was zoned for agricultural use and was utilized by a sugar plantation for decades. In 2015, sugarcane production ceased; the majority of the site has remained fallow since. Currently, most of the site is being utilized for HECO infrastructure storage and a portion of the area has been developed as a switchyard.

The BESS would have an energy storage capacity of 160 MW-hours and could provide up to 40 MW of power per hour to the grid over a period of 4 hours. In addition to the batteries, the Project will include inverters and transformers, concrete pads, underground cables and ducts, switchgear, and other electrical infrastructure.

The proposed BESS would be built adjacent and connected to the island-wide grid at the Waena switchyard, which is on the same parcel. The Project will store energy and deliver power to the island-wide transmission and distribution grid. Work within the Waena switchyard to connect the BESS will include limited new equipment and structures similar to those already present within the switchyard. Vehicular access to the site will be via the existing entrance from Pūlehu Road.



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Each battery enclosure includes fire detection and prevention systems to monitor and respond to battery fires, as well as battery management and exhaust ventilation systems to prevent fires.

Battery modules undergo rigorous testing to standards such as UL 1973 and IEC 62619 to ensure that battery modules are resistant to single-cell thermal runaway propagation. Internal testing has shown module propagation resistance with multiple co-located cells sent into runaway at the same time. This virtually eliminates all likelihood of a thermal event originating from a battery failure.

Megapack is compliant with the California Fire Code via compliance with various fire safety codes and standards, including the 2021 International Fire Code, the 2021 National Fire Protection Association 1 (Fire Code), the 2020 National Fire Protection Association 855 (Standard for the Installation of Stationary Energy Storage Systems), and the Underwriter's Laboratories 9540A (Test Method for Evaluating Thermal Runaway Fire Propagation in Battery Energy Storage Systems, Edition 4).

The Project is scheduled to begin installation in January 2026, with a projected commercial operation date of April 2027. The BESS is anticipated to have a lifespan of 10 years.

In accordance with Section 7 of the Endangered Species Act, EDF's review of the Project found that there is no designated critical habitat in the project area. Therefore, there would be no effect to designated critical habitat. For twenty-one (21) Federally threatened, endangered, proposed, and candidate species with potential to occur in the Project area (Hawaiian hoary bat, band-rumped storm-petrel, Hawaiian coot, Hawaiian duck, Hawaiian goose, Hawaiian petrel, Hawaiian stilt, Newell's shearwater, hawksbill sea turtle, Blackburn's sphinx moth, 'awikiwiki, 'ena'ena, awiwi, Carter's panicgrass, honohono, ihi, ko'olua'ula, ohai, round-leaved chaff-flower, *spermolepis hawaiiensis*, *vina o-wahuensis*), EDF has reached a no effect determination for all species based on lack of suitable habitat or no species occurrence identified during field surveys.

In accordance with Section 106 of the National Historic Preservation Act, EDF consulted with the Hawaii State Historic Preservation Department (SHPD) and the Maui-Lanai Burial Council on December 2 and 3, 2025, respectively. The Burial Council did not provide comments or identify concerns. The Hawaii SHPD did not object to EDF's finding of no historic properties affected. Therefore, as of January 6, 2026, EDF's responsibilities under Section 106 are fulfilled.

In the event of a post-review unanticipated discovery of cultural resources and/or human remains during construction, DOE EDF will determine actions to resolve adverse effects and notify the SHPD, burial council, and the Advisory Council on Historic Preservation (ACHP) within 48 hours of being notified of the discovery, pursuant to 36 CFR 800.13(b)(3).

Pursuant to Subpart C regulations for implementing the Coastal Zone Management Act (CZMA) of 1972, as amended (P.L. 92-583, 16 U.S.C. §§1451-1466), the Hawaii Coastal Zone Management Program issued a public notice in the State Environmental Review Program's publication, *The Environmental Notice*, on November 8, 2025. The public review and comment period closed on November 23, 2025. One public inquiry was received; however, no agency comments were received. On December 1, 2025, the Hawaii Coastal Zone Management Program determined that the project is consistent with the state's enforceable policies on the conditions that the project comply with state water pollution control requirements, water quality standards, and requirements established through consultation with the SHPD.

The following permits or authorizations have been obtained (or will be obtained prior to construction or commercial operation), as applicable:

- State of Hawaii Public Utility Commission General Order #7, approved 12/22/2023
- HRS Chapter Historic Preservation, approved 03/18/2025



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- Chapter 20.08 – Soil Erosion and Sedimentation Control: Grading Permit, approved 11/05/2025
- NPDES Construction Stormwater Permit, approved 03/19/2025

Categorical Exclusion(s) Applied:

B4.14 Construction and operation of electrochemical-battery or flywheel energy storage

Categorical Exclusion(s) Description:

The Project is consistent with and covered by DOE categorical exclusions in 10 Code of Federal Regulations (CFR) 1021, Appendix B4, Categorical Exclusions Applicable to Electric Power and Transmission. Specifically, the Project is covered by DOE Categorical Exclusion B4.14:

B4.14 Construction and Operation of Electrochemical-Battery or Flywheel Energy Storage Systems

Construction, operation, upgrade, or decommissioning of an electrochemical-battery or flywheel energy storage system within a previously disturbed or developed area or within a small area contiguous to a previously disturbed or developed area. Covered actions would be in accordance with applicable requirements (such as land use and zoning requirements) in the proposed project area and the integral elements listed at the start of [appendix B of this part](#), and would incorporate appropriate safety standards (including the current National Fire Protection Association 855, Standard for the Installation of Stationary Energy Storage Systems), design and construction standards, control technologies, and best management practices.

Per 10 CFR 1021.102, application of categorical exclusions (classes of actions that normally do not require EAs or EISs), the following clarifications are provided to assist in the appropriate application of categorical exclusions that employ the terms or phrases “previously disturbed or developed” and “small” or “small- scale”:

- (1) *“Previously disturbed or developed” refers to land that has been changed such that its functioning ecological processes have been and remain altered by human activity. The phrase encompasses areas that have been transformed from natural cover to nonnative species or a managed state, including, but not limited to, utility and electric power transmission corridors and rights-of-way, and other areas where active utilities and currently used roads are readily available.*
- (2) *DOE considers terms such as “small” and “small-scale” in the context of the particular proposal, including its proposed location. In assessing whether a proposed action is small, in addition to the actual magnitude of the proposal, DOE considers factors such as industry norms, the relationship of the proposed action to similar types of development in the vicinity of the proposed action, and expected outputs of emissions or waste. When considering the physical size of a proposed facility, for example, DOE would review the surrounding land uses, the scale of the proposed facility relative to existing development, and the capacity of existing roads and other infrastructure to support the proposed action.*

Regulatory Requirements Defined in 10 CFR § 1021

The proposed loan guarantee for actions described above was subjected to an environmental due diligence review by DOE EDF staff to ensure consistency with the specific category of action (categorical exclusion) contained in Appendix B of 10 CFR Part 1021 and the conditions for applying categorical exclusions specified in Section 102 of Part 1021. To ensure that the requirements of Appendix B were met, EDF Environmental Compliance obtained numerous project-related documents between October and December 2025 and participated in several conference calls with HECO staff to ensure a complete understanding of the activities associated with the Project.



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The environmental due diligence review determined that there is no controversy regarding the potential environmental impacts of the Project, and that the actions associated with the loan guarantee would not adversely affect any physical, biological, or socio-cultural resources associated with the deployment of the project. The environmental due diligence review determined the Proposed Action has not been segmented to meet the definition of a categorical exclusion.

Signature by HECO's designated representative in the Corporate Validation section (below) is an indication of HECO's concurrence with the findings and determinations presented herein.

For the DOE procedures regarding categorical exclusions, including the full text of each categorical exclusion, see [10 CFR 1021.102](#) and Appendix B to 10 CFR Part 1021, and also Section 5.4 (Applying one or more categorical exclusions to a proposal) and Appendices B and C of [DOE's National Environmental Policy Act Implementing Procedures](#) (June 30, 2025).

Requirements and guidance in 10 CFR 1021.102 and DOE's NEPA Implementing Procedures: (See full text in regulation and in Implementing Procedures)

- ☒ The proposal fits within a class of actions that is listed in Appendix B to 10 CFR Part 1021 or Appendix B and C of DOE's NEPA Implementing Procedures (June 30, 2025).
To fit within the classes of actions listed in Appendix B to 10 CFR Part 1021, or Appendix B of DOE's NEPA Implementing Procedures, a proposal must satisfy the conditions that are integral elements of the classes of actions in Appendix B of both 10 CFR Part 1021 and DOE's NEPA Implementing Procedures.
- ☒ There are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal. DOE or an applicant may modify the proposal to avoid reasonably foreseeable adverse significant effects such that the categorical exclusion would apply.
- ☒ The proposal has not been segmented to meet the definition of a categorical exclusion.

Based on my review of the proposed action, as NEPA Compliance Officer, I have determined that the proposed action fits within the specified class(es) of action, the other requirements and guidance set forth above are met, and the proposed action is hereby categorically excluded from further NEPA review.



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Corporate Validation:

Comments: _____

Applicant Signatory: Michael R. DiCaprio
Vice-President, Power Supply
Hawaiian Electric Company

Signature: DeCaprio, Michael
Digitally signed by
DeCaprio, Michael
Date: 2026.01.06 07:57:41
-10'00'

Date: _____

DOE Signatory: Todd Stribley
Director, Environmental Programs
DOE Office of Energy Dominance
Financing

Signature: _____

Date Determined: 1/7/2026