



NEWS RELEASE

NEIL ABERCROMBIE
GOVERNOR

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Governor Announces Plans to Power Public Schools with Solar Energy *Kaua'i schools set for PV installations next month*

HONOLULU – Governor Neil Abercrombie and Schools Superintendent Kathryn Matayoshi today announced that the state Department of Education (DOE) is working to significantly reduce the cost of school operations and, as a first step, has awarded a Power Purchase Agreement (PPA) contract to install photovoltaic (PV) systems at 15 Kaua'i schools. Under the agreement, the installation of the PVs at the schools will be completed at no cost to the state.

"What better place to set the example of changing the way we approach our energy needs and usage than in our schools," said Governor Abercrombie. "It demonstrates to the leaders of tomorrow that we are taking proactive steps now to address our state's disproportionate dependence on oil.

"This administration will continue to streamline costs while staying on the path of reducing our dependence on fossil fuels. By lowering operating costs such as energy, we can focus state resources on student achievement and effective teaching," he said.

Superintendent Matayoshi added, "The state Department of Education is committed to utilizing clean, renewable energy sources and finding ways to strategically reduce the cost of school operations. Over the next decade, the DOE plans to aggressively expand its photovoltaic project statewide to all schools."

DOE awarded a PPA contract to Hawai'i Pacific Solar, LLC, for installation of PV systems at no cost to the following Kaua'i schools: 'Ele'ele Elementary; Hanalei Elementary; Chiefess Kamakahelei Middle; Kalaheo Elementary; Kapa'a Elementary; Kapa'a High; Kapa'a Middle; Kaua'i High; Kekaha Elementary; Kilauea Elementary; King Kaumuali'i Elementary; Koloa Elementary; Waimea Canyon Elementary; Waimea High; and Wilcox Elementary.

The PV installation at these schools will begin in January and is expected to be completed by summer 2014. Once the solar panels are operational, the DOE will purchase power at a rate of about 16.9 cents per kilowatt hour. This rate will rise to 28 cents per kilowatt hour over the course of the 20-year contract period.

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The DOE will save an estimated \$30 million over the life of the project, taking into account a projected 3 percent yearly increase in commercial electricity rates.

Based on current Kauai Island Utility Cooperative circuit capacity, the new 2.4 megawatt system will generate 4 million kilowatt hours of electrical power per year equal to 60 percent of the 6.6 million kilowatt hours used by Kauai DOE schools annually. The DOE will reduce its dependency on oil imports by more than 6,414 barrels and carbon dioxide (CO2) emissions by 6,081,390 pounds annually.

By entering into a PPA, the state will receive solar power without any up-front costs, and the third-party providers will be afforded a mechanism to claim tax credits. In 1997, Act 96 established a photovoltaic pilot program to set up solar PV installations in each county. According to the act, solar PV installations would generate adequate energy savings to be self-sufficient. The DOE's PPA agreement achieves the purpose and goals of Act 96.

The DOE also announced that a pilot PPA project on O'ahu, involving four high schools (Aiea High, Kahuku High and Intermediate, Kaimuki High and Wai'anae High), is underway and expected to be completed in 2012.

The administration is working towards fulfilling Hawai'i Clean Energy Initiative's goal of 70 percent clean energy by 2030, through energy efficiency and the development and implementation of renewable energy sources.

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