

REQUEST FOR PROPOSAL FOR UNDERSEA CABLE EIS RELEASED

Hawai'i Clean Energy Initiative One-Year Progress Report

For Immediate Release: October 29, 2009

HONOLULU – The State of Hawai'i today issued a request for proposal (RFP) from companies and other interested organizations to conduct an environmental impact statement (EIS) for an undersea power cable connecting the islands of Lāna'i, Moloka'i, O'ahu, and Maui.

The undersea cable, which would connect the islands into one electrical grid to allow the integration of renewable wind power generated in Maui County for transmission to O'ahu is part of a comprehensive energy agreement signed one year ago between the State of Hawai'i and Hawaiian Electric companies to move the state away from its dependence on fossil fuels for electricity and ground transportation. Partners in the agreement include the Department of Business, Economic Development and Tourism (DBEDT), the Hawaiian Electric companies, the State Consumer Advocate and the U.S. Department of Energy.

The State-Hawaiian Electric energy agreement is a critical component of the Hawai'i Clean Energy Initiative (HCEI), an unprecedented partnership formed in January 2008 between the State of Hawai'i and the U.S. Department of Energy to work toward having 70 percent of Hawai'i's energy come from clean energy sources by 2030.

HCEI is focused on transforming the regulatory environment to facilitate clean energy development, collaborating with island utility companies to increase renewable energy generation and integrating renewable energy into utility grids.

"It has been a remarkable year and we need to continue to build upon HCEI's success," said Governor Lingle. "As the most oil-dependent state in the nation, a clean energy future is no longer simply a desire, it is an absolute necessity. The State-Hawaiian Electric energy agreement represents a bold step towards achieving energy security, and the progress made over the past year demonstrates that Hawai'i can serve as a clean energy role model for the rest of the nation."

"This one-year mark is a time for us to recommit to these critical clean energy goals. This achievement – and achievements yet to come – depend on an unprecedented unity of purpose and willingness to cooperate among individuals, businesses, institutions and government in Hawai'i," said Hawaiian Electric Executive Vice President Robbie Alm. "Whether oil prices go up or down, we must stay focused on making the long-term investments to get to a clean energy future."

Steady Progress Toward Clean Energy Future

Over the past year, the partnership between the State and Hawaiian Electric has enabled Hawai'i to take critical first steps in reforming the regulatory framework governing the existing electricity system.

Several key reforms agreed to in the energy agreement have become active Public Utilities Commission (PUC) dockets, including feed-in tariffs and decoupling.

In September, the PUC issued its decision and order on the feed-in tariff principles, which provides a price guarantee for electricity produced by sun, wind and hydroelectric sources that Hawaiian Electric companies will pay for renewable energy fed into the electricity grid. The set rate under the feed-in tariff provides an incentive for renewable energy developers to invest in Hawai'i by creating certainty and transparency.

In addition, Clean Energy Scenario Planning and Advanced Meter Infrastructure or "Smart-Grid" (planning ahead to enable more distribution of renewable energy on the grid) are among the other PUC proceedings underway.

Progress has been made on more wind-generated renewable energy such as First Wind's Kaheawa wind farm on Maui that generates 30 megawatts of power on conservation land. It became the first operating wind farm in the United States to have a habitat conservation plan.

Interisland Power Cable

As part of the HCEI, Governor Lingle also announced that DBEDT is moving forward with the request for proposals process for an EIS for the interisland power cable project.

The EIS will consider the impacts from the installation, operation, maintenance, possible repair, and potential long term development envisioned for the interisland power cable, mitigation strategies, and alternatives. It is a structured public process enabling the communities and other stakeholders to understand the impact of the undersea cable. Contract award is expected by the end of the calendar year.

"The interisland cable project is an important piece of infrastructure needed to achieve the goal of the Hawai'i Clean Energy Initiative of 70 percent clean energy by 2030," said Governor Lingle. "We are committed to making sure all environmental, economic, cultural and community issues are fully addressed."

For more information on the RFP go to: <http://www4.hawaii.gov/bidapps>

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