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**NEWLY APPROVED HU HONUA BIOMASS POWER PURCHASE AGREEMENT
ALIGNED WITH STATE'S RENEWABLE ENERGY GOALS**

HONOLULU — The Department of Business, Economic Development and Tourism's (DBEDT) State Energy Office commends the Hawaii Public Utilities Commission's (PUC) approval of the Hu Honua 21.5 MW biomass power purchase agreement on Hawaii Island.

"DBEDT commends the PUC for carrying out the state's energy policy directives in pursuit of a diversified energy portfolio," said DBEDT Director Richard C. Lim. "This decision reflects our policy of balancing technical, economic, environmental and cultural considerations for renewable energy projects, providing cost savings and creating green jobs in Hawaii County."

"Hu Honua will deliver a firm, dispatchable, biomass resource to Hawaii Electric Light Company's (HELCO) renewable energy portfolio, which will not only reduce HELCO's dependence on imported fossil fuels, but will also provide necessary grid support services," said PUC Chair Hermina Morita. "Importantly, this project will enable HELCO to retire aging and expensive fossil fuel power plants to help lower the high cost of electricity paid by HELCO's ratepayers."

Located on a 25.57-acre site in Pepeekeo, Hu Honua is in the process of refurbishing the power plant originally built in 1972 for the Hilo Coast Processing Company sugar mill. The PUC's approval of the 20-year Power Purchase Agreement includes pricing that is lower than avoided cost and de-linked from fossil fuel pricing. Its community benefits will include economic stimulus and job creation at the facility as well as in industries on Hawaii Island such as forestry, harvesting and hauling.

Added State Energy Administrator Mark Glick, "The State Energy Office welcomes the addition of this biomass project to Hawaii County's renewable portfolio, which has the state's highest concentration of renewables in operation on any island with more than 40 percent renewable generation."

The state's energy policy may be found on the State Energy Office's website at energy.hawaii.gov. The PUC's decision may be found on its website at <http://dms.puc.hawaii.gov/dms/> (Docket No. 2012-0212).

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