



**DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

***State Energy Office***

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**FOR IMMEDIATE RELEASE**

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**USDOE RECOGNIZES STATE OF HAWAII FOR ENERGY EFFICIENCY MILESTONE**

**HONOLULU** – The State of Hawaii signed \$345.9 million in performance contracts for energy efficiency improvements for state and county facilities, exceeding a commitment made to the U.S. Department of Energy (USDOE). In 2013 the state committed to the USDOE's Better Buildings Initiative, Performance Contracting Accelerator Program, with a goal of \$300 million in performance contracts. Performance contracting is an innovative approach to implement energy and water efficiency projects using guaranteed energy savings to pay for the projects.

USDOE recognized Hawaii as the state that met the highest goal under the Accelerator Program. Hawaii's milestone not only exceeded the state's goal but also put the USDOE's Accelerator Program over the top to surpass its \$2 billion national goal for performance contracting.

Hawaii's \$345.9 million total is the result of contracts signed by the City and County of Honolulu for the Kailua Wastewater Treatment Plant, the City and County of Honolulu Board of Water Supply, and all three Hawaii Department of Transportation (HDOT) divisions: Highways, Harbors, and Airports. The projects cover more than 24.4 million square feet of building space and include installation of more than 136,000 lighting retrofits, 13 megawatts of photovoltaic power, and other energy efficiency improvements. Energy savings from the projects are estimated at \$866.1 million over the life of the contracts. The energy savings are equivalent to powering 20,464 homes for one year and 389,381 homes over the life of the contracts.

(more)

## USDOE Recognizes Hawaii Energy Savings Effort

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The Hawaii State Energy Office, a division of the Department of Business, Economic Development and Tourism (DBEDT), has been providing technical assistance for performance contracting to state agencies and counties since 1996.

“Energy efficiency upgrades like these are essential to the success of Hawaii’s clean energy transformation along with deployment of renewable energy technologies,” said DBEDT Director Luis P. Salaveria. “We are proud to have done our part to help push the USDOE over its \$2 billion goal for performance contracting.”

Hawaii’s progress in energy performance contracting prompted a letter of congratulations to Governor Ige from the USDOE in October 2016. The letter recognized the success of Hawaii’s programs for “driving greater energy efficiency” and thanked the governor for his leadership.

“Congratulations to our state partners on their impressive investment in energy efficiency,” said Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency at the US Department of Energy. “By accelerating the use of Energy Service Performance contracting, Hawaii has led by example and demonstrated how to save money for taxpayers and create well-paid jobs, through energy efficiency.”

The activities under the Performance Contracting Accelerator Program are part of the Hawaii Clean Energy Initiative, a partnership initiated in 2008 between the USDOE and the State of Hawaii to achieve 70 percent clean energy by 2030, with 40 percent coming from renewable energy and 30 percent from energy efficiency. In 2015 the goal for electricity generation from renewable sources was increased to 100 percent by 2045.

For five consecutive years from 2012 through 2016 Hawaii garnered national recognition with the “Race to the Top” award from the Energy Services Coalition (ESC), a national nonprofit organization of experts working together to increase energy efficiency and building upgrades through energy performance contracting. The award is given to the state with the highest per capital investment in performance contracting projects. With the HDOT Airports Division performance contract totaling \$212.4 million, ESC recognized Hawaii with the distinction of signing the single largest performance contract by a state agency. In 2016 ESC also recognized the State of Hawaii as an “Energy Stewardship Champion” for outstanding accomplishments leveraging performance contracting to achieve infrastructure modernization, environmental stewardship, and economic development. With the completion of the USDOE’s Performance Contracting Accelerator Program, Hawaii has a per capita investment of \$370.74. The second-ranked state has a per capita investment of \$172.84.

“The State of Hawaii has shown great leadership not only in this contract, but also in their overall program that promotes the use of guaranteed energy savings performance contracting in public facilities,” said Jim Arwood, ESC executive director. “They are a great example for other states to follow.”

The greatest contributor to Hawaii exceeding its \$300 million goal was the HDOT contracts, which totaled \$306.7million. The \$212.4million contract executed by the Airports Division for improvements at 12 airports includes air conditioning upgrades, more than 98,000 light fixtures, and more than 24,400 photovoltaic panels with 7.9 megawatts of generating capacity. Contracts were also executed by the Highways Division for \$68.1million and by the Harbor's Division for \$26.2 million. The work will be done by Johnson Controls, an energy service company.

DBEDT estimates that over the life of HDOT's airport's contract, which ends in 2034, the economic impacts will be \$27.3 million in tax revenues (in 2016 dollars), \$186.6 million in income to households (in 2016 dollars), and 867 jobs generated or supported each year during the first two years of construction in Phase I. The contract will generate or support an estimated 257 jobs supported each year during the two-year Phase II construction and installation. In addition, an average of 63 jobs will be generated or supported each year during the 15-year performance period. The energy savings is equivalent to powering approximately 9,264 homes a year. Over the life of the project the energy saved could power about 175,267 homes.

Performance contracting allows energy efficiency retrofits to be installed in a timely manner, providing savings more rapidly than would otherwise be possible. Retrofits can take less than one year to up to three years to install. Capital improvement projects can take from six to 10 years, resulting in missed opportunities for annual energy savings. Accelerating the process is important for state and county agencies, which face increasing energy costs and the need to upgrade aging, inefficient, and obsolete energy- and water-consuming equipment.

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#### **ABOUT HAWAII STATE ENERGY OFFICE**

The Hawaii State Energy Office (HSEO) is a division of the state's Department of Business, Economic Development and Tourism. With the state's goal to reach 100 percent renewable energy generation by 2045, HSEO is leading the state's charge toward clean energy independence. HSEO is committed to developing and deploying high impact solutions that will maximize Hawaii's renewable energy resources and improve efficiency and transportation standards. Through effective policies and innovative programs, HSEO has positioned Hawaii port as a leader in clean energy innovation, which will generate quality jobs, attract investment opportunities and accelerate economic growth. For more information, visit [energy.hawaii.gov](http://energy.hawaii.gov)

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