



News Release

FOR IMMEDIATE RELEASE

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BLUE PLANET'S EXPERT PANEL PRESENTS BOLD ENERGY PLAN TO LEGISLATORS

Ban on future fossil fuel power plants and on-bill financing for home energy efficiency among plan's elements

The Blue Planet Foundation—a non-profit dedicated to Hawai'i's energy independence—hosted a panel of energy experts on Jan. 12, 2009 to brief the state legislature on energy policy priorities. The presentation capped off a three-day Energy Solutions Summit convened by Blue Planet where broad energy strategies for the state were discussed. The summit brought together local energy leaders and mainland experts familiar with energy strategy “best practices” from around the country. The summit's outcome, available online at www.blueplanetfoundation.org, was a package of energy policies that, if enacted, would dramatically increase energy efficiency, accelerate clean energy adoption, make transportation more affordable, and strengthen the power grid.

Denis Hayes, co-founder of the first Earth Day in 1970 and director of the National Renewable Energy Laboratory during the energy crisis in the 1970s, participated in the summit.

“Thirty-five years after the first oil embargo, we finally have a state that is prepared to show bold leadership in energy independence,” said Hayes. “Blue Planet has developed an impressive program to actually get the job done. It's Hawai'i's opportunity to demonstrate international leadership in energy solutions.”

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Add 1

The Blue Planet legislative package recognizes the challenge of the down economy and shrinking state budget by focusing on measures that create jobs, reduce fossil fuel expenditures, and require no state funding.

"These energy solutions can provide real energy cost relief to residents while creating meaningful jobs and stimulating our economy," said Jeff Mikulina, executive director of the Blue Planet Foundation. "It is a no-regrets option for the state during the recession."

"The opportunity is now to move Hawai'i rapidly off fossil fuel and toward indigenous energy resources," said Jon Hurwitch, chief operating officer and principal of Sentech, Inc., an energy consulting firm based in Washington, D.C. that works closely with the Department of Energy. "Hawai'i is uniquely placed to make dramatic gains in clean energy."

While the Energy Solutions Summit produced a long list of energy proposals, the package presented to the legislature yesterday had to satisfy three criteria. The measures had to make a real difference in reducing oil imports, not impact the general fund, and be ready to go (meaning the technology had to be commercially available). The measures were divided thematically into the categories of energy efficiency, clean energy supply, mobility, and integration of infrastructure, energy storage, and the smart grid.

Energy efficiency is the highest priority for increasing Hawai'i's energy independence. The Blue Planet package calls for establishing an "energy efficiency resource standard" to annually ratchet up electricity savings. Energy efficiency improvements would be supported through a revolving loan fund accessed by residential and commercial customers through on-bill financing – meaning that they could avoid the expensive upfront costs of such efficiency investments and simply pay for it over time through the energy cost savings realized. High performance buildings would also be required through new building codes and a "time of sale efficiency standard" where residential and commercial properties would be required to meet the energy efficiency standard upon transfer of ownership.

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Add 3

In an effort to align state energy policy with Hawai'i's preferred clean energy future, the package calls for no new fossil fuel power plants – with the exception of small back-up generators. Such a law would make Hawai'i the first state in the nation with such a policy. The concept won the support of the Hawaiian Electric Company in their Hawai'i Clean Energy Initiative agreement with the state last October. Blue Planet also supports a law to ensure that individuals and companies who invest in solar energy devices have continued access to the sun – preventing buildings or trees from encroaching on the solar resource.

To increase the efficiency of vehicles on Hawai'i's roads, the package calls for the adoption of the California "Clean Car" standard to foster the purchase of high miles per gallon cars in Hawai'i – something that 18 other states have already done. While those states have been tied up by a Federal process preventing implementation of the law, experts believe that the new Obama administration will allow the policy to take effect.

Finally, Blue Planet is advocating for an energy independence fund established via a small fee on every barrel of oil imported into Hawai'i. By tapping the source of the problem – imported oil – upwards of \$250 million can be raised annually to put the critical pieces of Hawai'i's clean energy future in place.

The legislative policies will be introduced as various bills after the legislative session convenes on Jan. 21. The package is online at www.blueplanetfoundation.org and highlights are available as follows:

Blue Planet Foundation's 2009 Energy Solutions Legislative Package

INVESTING IN OUR CLEAN ENERGY FUTURE: ENERGY INDEPENDENCE FEE

- Tap the source of our problem – imported oil – to fund energy efficiency and clean energy
- Barrel fee is already in place; an increase would provide critical funding for programs
- A \$5 per barrel fee would yield ~\$250 million annually to put the critical pieces of our clean energy future in place
- Investing now would pay future dividends to every resident and business in the state

ENERGY EFFICIENCY

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Add 3

1. **Create the framework for dramatic increases in efficiency**

- Declare that energy efficiency shall be the first priority resource for new electric system resources in Hawaii
- Establish an "Energy efficiency resource standard" requiring annual energy efficiency program electricity savings equivalent to 3% of 2008 retail sales by the end of 2011; 10% by the end of 2015; and an additional 2% per year each year thereafter
- Establish a system of incentives and penalties to the third party administrator and the utility for achievement

2. **Provide real resources for efficiency investments**

- Establish a system benefit charge to provide a minimum energy efficiency program funding equivalent to 2% of total retail electricity sales revenues in 2009, 3% in 2010, and 4% in 2011 and each year thereafter
- Establish a revolving fund from barrel fee where customers could secure low-interest financing for energy efficiency improvements
- To overcome upfront cost barrier, couple revolving fund with on-bill whereby customers could repay the cost of major energy efficiency measures through their utility bills

3. **Smart, efficient buildings**

- Establish statewide energy efficiency building codes for residential and commercial new construction that are at least 30% more efficient than the current IECC codes.
- Create "Time of Sale Efficiency Standard" where residential and commercial properties would be required to meet the energy efficiency standard upon transfer of ownership

CLEAN ENERGY SUPPLY

1. **Align energy policy with clean energy future: *No new fossil fuel power plants***

- Allow exemption for emergency stand-by generators less than 2 megawatts in size
- Policy would make Hawaii first in nation
- Policy has support of Hawaiian Electric Company

2. **Create the path to clean energy**

- Clarify current renewable portfolio standard language to ensure that only clean, indigenous resources are counted
- Set RPS at 15% by 2015, 25% by 2020, and 40% by 2030
- Establish clear penalties or "alternative compliance" mechanisms for utility failure to achieve standard

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Add 4

3. Accelerate clean energy adoption

- Remove “avoided cost” barrier in clean energy purchase statute that may prevent renewable energy adoption when oil prices are low
- Enable counties to begin community-based “renewable energy zone” identification processes for permitting, transmission purposes
- Ensure solar access: clarify that customers with solar devices have rights to solar resource

MOBILITY

1. Smarter: Encourage efficient vehicles

- Adopt California “Clean Car” standards to foster purchase of high MPG cars in Hawaii; 18 states have already adopted such standards
- Establish a “Feebate”: Hummers pay for hybrids; incentivize high-efficiency vehicles, penalize gas guzzlers
- Mandate all gas stations provide working, free air and tire gauges for filling tires to proper pressure (can provide up to 5% greater efficiency)

2. Better: Increase indigenous fuel substitution

- Establish biofuel support: market stimulation incentives for the development of biodiesel
- Make state agricultural lands available for biodiesel fuel crops
- Tax exemption for indigenous biofuel sources (with time limit ~5 years)

3. Different: Alternatives to internal combustion

- Support electric vehicles and clean energy by directing the PUC to create a preferential rate for electric vehicle charging from indigenous renewables
- Direct department of transportation to provide true bike lanes: establish bike lane requirement when roads are being resurfaced, upgraded

INTEGRATION: INFRASTRUCTURE, STORAGE, & SMART GRID

1. Make energy a priority

- Create a State Energy Security Office as a stand-alone entity within the Governor’s office, moving the current DBEDT energy office
- Coordinate system-wide planning through office
- Fund with portion of barrel fee
- Possibly establish an energy commission for oversight
- Direct energy office to develop state energy master plan examining backbone planning, transmission & distribution with long-term planning and commitment

2. Encourage storage on the grid

- Provide an incentive for storage or firming capacity on the grid
- Direct PUC to implement schedule of incentives depending on technology type, location, and availability (i.e. electric vehicles, capacitor banks, pumped hydro, batteries, etc.)

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Add 5

3. Recharge the Public Utilities Commission

- Provide ample resources through barrel fee for the PUC to research, deliberate, and implement the critical list of energy issues they are charged with
- Increase transparency of PUC actions and initiation of PUC dockets: set public notice guidelines for increased public participation and awareness

For more information about Blue Planet Foundation, go to www.blueplanetfoundation.org or follow @BluePlanetFound on Twitter.com for additional updates.

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