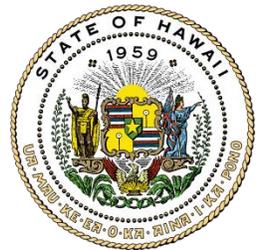




**Progress Report on  
Renewable Energy and Energy Conservation Programs  
Pursuant To: Act 95, Session Laws of Hawaii (SLH), 2004**



STATE OF HAWAII  
Department of Business,  
Economic Development & Tourism

December 2013

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## **INTRODUCTION**

Chapter 196, Part III, Section 196-41, Hawaii Revised Statutes (HRS) was added to law by Act 95, Session Laws of Hawaii (SLH) in 2004.

This report is being submitted pursuant to HRS §196-41(c)(1), which mandates, among other things, that DBEDT:

- Develop a program to maximize the use of renewable energy and cost-effective conservation measures by state government agencies;
- Work with federal agencies to develop as much research, development and demonstration funding, and technical assistance as possible to support Hawaii in its efforts to achieve its renewable portfolio standards;
- Biannually issue a progress report to the governor and legislature.

Furthermore, as the Energy Resources Coordinator (ERC), it is the DBEDT Director's statutory responsibility under HRS 196 to review proposed state actions that the ERC finds to have a significant effect on the State's energy objectives and to report to the governor their effect on the energy program. The ERC has charged the State Energy Office (SEO) with planning and carrying-out the State's energy agenda and with identifying the high impact solutions that make the biggest difference in the fulfillment of the State's energy objectives. A critical determination is that an interconnected grid system, or interisland cable, between Oahu and Maui, and ultimately to Hawaii Island has such significance. Also of significance, are the ERCs initiatives to remove barriers to the development of renewable energy and conservation measures through its emphasis on innovative clean energy policies, regulatory involvement and deployment of high-impact solutions.

Moreover, through the Hawaii Clean Energy Initiative (HCEI), a groundbreaking partnership between the State of Hawaii, the U.S. Department of Energy, the military and the public and private sectors, we have been and continue to transform Hawaii's economy from one that is dependent on fossil fuels to a leader in renewable energy and energy efficiency within a single generation.

By 2030, Hawaii must:

- Reduce electrical energy consumption by 30 percent (also known as Energy Efficiency Portfolio Standard, EEPS);
- Increase electrical generation from renewable resources to 40 percent (also known as Renewable Portfolio Standard, RPS); and
- Reduce the use of petroleum for ground transportation by 70 percent.

RPS and EEPS targets are not only HCEI mandates but also prescribed by law under HRS 269.

This report, which satisfies the reporting requirements under HRS §196-41(c)(1), will show the positive effect that HCEI coupled with strong state policies and initiatives have had on the realization of renewable energy and energy conservation goals. This report was last submitted in 2011<sup>1</sup>. Hence, initiatives discussed herein will be limited to 2011-2013.

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<sup>1</sup> Reference: <http://files.hawaii.gov/dbedt/annuals/2008/rps07.pdf>

## **CURRENT STATUS**

The State continues to make great progress in reaching the ambitious Hawaii Clean Energy Initiative (HCEI) goal of creating a clean energy economy powered by 70% clean energy (40% from renewable energy and 30% from conservation measures) by 2030. Since the establishment of HCEI in 2008 Hawaii has made tremendous strides in creating foundational programs and policies that have earned Hawaii both national and international recognition as a clean energy leader.

### ***RPS and EEPS Overview***

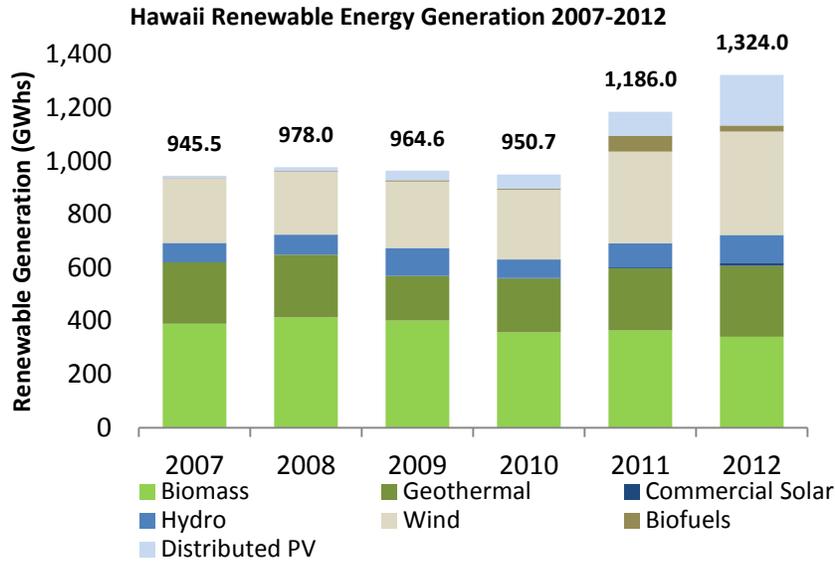
This table shows Hawaii's progress in both renewable generation as well as energy efficiency broken down by utilities from 2007 through 2012. Under current law, efficiency measure can be counted towards mandated RPS deadlines until 2015. After 2015 all RPS targets must be met solely by renewable generation (including distributed generation). Energy efficiency is included in the state's HCEI goals as well as codified goals that run parallel to RPS deadlines.

		2007	2008	2009	2010	2011	2012
<b>HECO</b>	Efficiency	6.8%	9.0%	10.0%	11.8%	13.1%	15.6%
	Renewables	4.3%	4.8%	5.1%	4.7%	6.7%	7.6%
	<b>Total</b>	<b>11.0%</b>	<b>13.8%</b>	<b>15.1%</b>	<b>16.6%</b>	<b>19.8%</b>	<b>23.2%</b>
<b>HELCO</b>	Efficiency	6.0%	5.3%	5.7%	7.4%	8.8%	11.0%
	Renewables	33.8%	35.4%	33.7%	34.6%	41.1%	46.7%
	<b>Total</b>	<b>39.8%</b>	<b>40.7%</b>	<b>39.5%</b>	<b>41.9%</b>	<b>49.9%</b>	<b>57.7%</b>
<b>MECO</b>	Efficiency	9.2%	8.7%	9.8%	10.8%	12.0%	14.0%
	Renewables	15.4%	13.9%	13.9%	15.3%	17.1%	20.8%
	<b>Total</b>	<b>24.7%</b>	<b>22.5%</b>	<b>23.7%</b>	<b>26.1%</b>	<b>29.1%</b>	<b>34.8%</b>
<b>HECO Companies</b>	Efficiency	7.0%	8.5%	9.5%	11.2%	12.5%	14.9%
	Renewables	9.1%	9.4%	9.5%	9.5%	12.0%	13.9%
	<b>Total</b>	<b>16.1%</b>	<b>18.0%</b>	<b>19.0%</b>	<b>20.7%</b>	<b>24.5%</b>	<b>28.7%</b>
<b>KIUC</b>	Efficiency	4.6%	4.2%	4.4%	3.9%	4.2%	5.6%
	Renewables	5.8%	8.7%	9.6%	9.1%	10.5%	11.0%
	<b>Total</b>	<b>10.4%</b>	<b>12.9%</b>	<b>14.0%</b>	<b>13.0%</b>	<b>14.7%</b>	<b>16.6%</b>
<b>State Total</b>	Efficiency	6.9%	8.3%	9.3%	10.9%	12.1%	14.5%
	Renewables	8.9%	9.4%	9.5%	9.5%	11.9%	13.7%
	<b>Total</b>	<b>15.8%</b>	<b>17.8%</b>	<b>18.8%</b>	<b>20.4%</b>	<b>24.0%</b>	<b>28.2%</b>

As of the end of 2012, Hawaii has achieved a renewable energy generation total of 13.7% and a 14.5% reduction in energy use through energy efficiency measures.

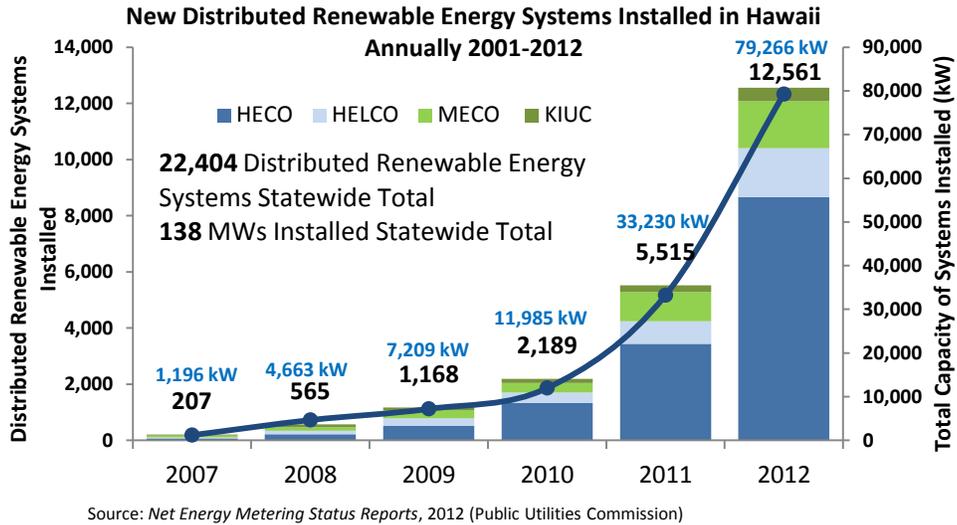
### ***Hawaii Renewable Energy Generation by Resource (2007-2012)***

The following chart showcases the richness and diversity of our renewable energy portfolio, with increasing contributions from wind, geothermal, biomass and, and most notably in recent years, distributed photovoltaic (PV).



### New Distributed Renewable Energy Systems Installed in Hawaii (2007-2012)

2012 was a banner year for distributed renewable energy systems in Hawaii with 22,404 systems statewide for a total capacity of 138 MWs. In 2012 alone, the number of systems more than doubled, from 5,515 in 2011 to 12,561.



## **INITIATIVES IN SUPPORT OF MANDATED RENEWABLE ENERGY AND ENERGY EFFICIENCY PORTFOLIO STANDARDS**

The following activities, programs, and initiatives were implemented by SEO between 2011 and 2013 to maximize the use of renewable energy and cost-effective conservation measures pursuant to HRS §196-41(c)(1).

### ***Renewable Energy Initiatives***

SEO is focused on high impact solutions that break down barriers to renewable energy development and to help our state meet its energy needs well into the future. As described above, the SEO's initiatives for removing barriers to the development of renewable energy are rooted in laws and policies that give SEO, through the ERC, DBEDT Director, the authority to propose state actions that make the biggest difference in the fulfillment of the State's energy objectives. As such, SEO has opted to pursue the following innovative clean energy policies and to high-impact solutions, including participating in regulatory proceedings and development of self-help publicly accessible online tools and resources. These high-impact solutions translate into technical, economical, policy and cultural clean energy advantages for Hawaii.

### **Hawaii Clean Energy Programmatic Environmental Impact Statement (PEIS)**

On December 14, 2010, the US Department of Energy (DOE) issued a Notice of Intent (NOI) to prepare a PEIS, with the SEO as a joint lead, on the wind phase of the Hawaii Interisland Renewable Energy Program (HIREP). That NOI referred to the PEIS as the "HIREP: Wind PEIS". HIREP narrowly considered wind and undersea transmission technologies between Oahu County and Maui County. In response to public scoping comments, as well as regulatory and policy developments since the scoping meetings, the DOE and SEO decided to broaden the scope of the PEIS to include a wider range of clean energy activities and technologies with the potential for near-term development or application in Hawaii. Accordingly, the project was renamed as the "Hawai'i Clean Energy PEIS". In this current initiative, SEO serves as a cooperating agency to the DOE.

The intent of the Hawai'i Clean Energy PEIS is for the state, county, federal, and private project developers to use the PEIS as a reference document when preparing project-specific EISs. The Hawai'i Clean Energy PEIS will further serve as guidance the DOE can use in making decisions about future DOE funding and other actions to support Hawaii in achieving its HCEI objectives. In these ways, the Hawai'i Clean Energy serves two of our Administrations principles; namely, diversifying our energy portfolio and helping to balance technical, economic, environmental and cultural considerations.

The draft PEIS is expected to be issued in 2014. At that time, a formal public comment period will commence and the public will have the opportunity to review the draft PEIS and provide

comments during a series of community meetings. Those comments will then be considered for the final PEIS.

### **Oahu-Maui Interisland Transmission Grid Tie Cable**

Connecting the islands through integrated, modern grids is one of the state's high priority strategies. By linking individual island grids together, we will be able to utilize our best natural resources at a scale that will reduce costs and improve overall system efficiency.

In July of 2013 the Hawaii Public Utilities Commission (PUC) issued a set of orders related to renewable energy generation and interisland cable transmission. Through the PUC's dockets, the state was challenging the market to inform all stakeholders on how to minimize risk, make the best use of existing infrastructure and establish the most efficient and cost effective grid of the 21<sup>st</sup> century.

One order, #31356, opened a proceeding to investigate whether an Oahu-Maui interisland transmission system may be in the public's interest. This docket (#2013-0169) named DBEDT as a party. The purpose of the docket is to investigate whether the interisland transmission system interconnecting the Oahu and Maui Island electrical grids may be in the public interest.

On September 9, 2013, SEO, through DBEDT, submitted its initial comments to the PUC stating that the interisland transmission cable connecting Oahu and Maui grids is indeed in the public interest. DBEDT's analysis showed the following:

- The Cable Project will provide economic benefits to ratepayers on both islands, saving up to \$423 million (not including social cost of carbon) for the 2020-2050 period. Should the social cost of carbon be taken into consideration, this net benefit would rise to \$551 million. These figures include fuels savings of approximately \$1 billion.
- The Cable Project's effective use of available, dispatchable capacity will increase reliability and produce ancillary services benefits for both Oahu and Maui electric systems.
- The Cable Project is projected to significantly reduce renewable energy curtailments, particularly on Maui.
- The development of the Cable Project will allow for lower environmental compliance costs.
- The Cable Project will help the State meet its required RPS goal of 40% by 2030.

### **"Hawaii's Clean Energy Transformation and Grid Connection" SunShot Project**

This project is being federally funded through the United States Department of Energy (DOE) SunShot initiative. Its objective is to reduce market barriers and costs of greater renewable energy penetration under HCEI. In order to accomplish this, the Hawaii State Energy Office is pursuing a two-phase approach that focuses on a higher acceptable reliability threshold for

interconnection standards and streamlined permitting processes, tools, and technical assistance.

The first phase of the project featured technical assistance on regulatory, financial, and utility solutions, particularly focused on adoption of a variety of grid reliability and interconnection standards as evidenced through our participation in the Reliability Standards Working Group (RSWG) PUC docket. SEO, through DBEDT, provided the following comments in this docket:

- Increased penetration of renewable energy in already high-penetration circuits: DBEDT is supportive of HECO's ProActive Approach, which will provide the Hawaiian Electric Company (HECO) with circuit penetration levels and associated potential issues. The ProActive Approach looks to address key modeling and grid integration challenges that have accompanied the exponential growth of distributed photovoltaic (PV) generation on Hawaii's island grids. Lessons learned from this initiative will be shared with other utilities in the United States encountering similar grid issues.
- Excess energy curtailments of renewable energy: DBEDT is supportive of accelerated analysis and approval of the findings from the HECO Companies' consultant EPS, which revealed that measures can be taken to eliminate or substantially reduce excess energy curtailments of renewable generation.
- Lack of standard interconnection agreement: Per the RSWG Independent Facilitator, the Commission should "make it clear that a standard interconnection agreement, terms and conditions, and study procedures are needed". DBEDT agrees with this and recommends a new "interconnection docket".
- Lack of formally established electricity reliability regulatory oversight program and administrator (e.g. Hawaii Electricity Reliability Administrator, HERA): DBEDT believes that the HERA should be established by the PUC as soon as possible.

In the second phase of the project, SEO partnered with the National Renewable Energy Laboratory (NREL) and other key stakeholders to disseminate the findings of the recently completed Hawaii Solar Integration Study (HSIS) to relevant stakeholders (e.g., the State of Hawaii, utilities, installers, etc.) This study will help stakeholders understand the costs and operating impacts of significant amounts of solar power on the Oahu and Maui grids, and the impacts of interconnecting these island grids via undersea cable. Further, the distribution and implementation of the HSIS will support future planning to integrate more intermittent renewable energy resources onto our island grids.

For the remainder of the second phase of the project (through August 2014) SEO will be focused on determining best management practices to interconnect solar and other renewables onto the electrical grid clusters and developing resources to streamline the permitting of high impact solar and other renewable energy solutions. Specifically, SEO will:

- Collaborate with Hawaiian Electric Company (HECO) on the "ProActive Approach" concept, which was unanimously recommended by the RSWG Photovoltaic Subgroup. This evaluation will support the roll-out and application of the ProActive Approach as a viable pathway for utilities and the solar industry to proactively address distributed generation impacts on the electrical grid. Lessons learned from this analysis can be

implemented by HECO and other utilities looking to safely and quickly integrate high volumes of distributed solar systems.

- Expand upon existing resources that identify and provide guidance on the permitting requirements for renewable energy projects in Hawaii. These resources guide project planning and better prepare applicants for the expected permitting processes, thus saving time and money for developers and regulatory agencies.

### **Intervention in the Integrated Resource Planning (IRP) Docket**

Integrated Resource Planning (IRP) aims to develop comprehensive 20-year plans for meeting energy needs under various electric utility scenarios. The goal is to ensure delivery of reliable electric service for residential and business customers while striving to decrease the use of imported fossil fuel, increase efficiency and reduce electric bills.

On Friday, June 28, 2013, the Hawaiian Electric Companies filed with the PUC their Integrated Resource Planning Report (“IRP Filing”) covering the planning period 2014-2033 and Five-Year Action Plans detailing plans to meet future electricity needs for its service territories. Subsequently, in the September 9, 2013 Order, the PUC sought statements of position concerning the IRP Filing.

As a docket intervenor, SEO, through DBEDT, recommended to the PUC that neither rejection nor approval is warranted with respect to the IRP Filing at this stage as it believes that the IRP Report, Action Plans, and IRP process, are not entirely compliant with the IRP Framework. Instead, the Commission should accept the plans for filing, undertake further actions to address the major shortcomings of the process, and build upon those aspects of the IRP Filing that present a sufficient starting point for further analyses and which could lead to reasonable roadmaps for the purpose of achieving the State's energy goals. DBEDT believes that any action taken should encourage progress rather than delay in meeting the State's clean energy goals of reducing dependence on fossil fuels and maximizing the amount of reliable renewable penetration.

DBEDT believes that specific actions should include:

- Commission should use its discretion and determine the best approach for building upon the foundation of the Action Plans, curing the deficiencies, and establishing Action Plans that constitute a concrete and reasonable roadmap for achieving energy objectives and customer energy needs in a manner that is consistent with the State's energy policies and goals. These procedures should be implemented quickly.
- DBEDT submits that it is in the best interest of the State to continue the momentum and move forward with the IRP and these other dockets and processes, such as the Oahu-Maui interisland transmission grid tie cable and RSWG dockets mentioned above. These other processes may inform the Commission on helpful modifications to the existing Action Plans and/or the next IRP.

### **Green Energy Market Securitization (GEMS)**

On June 27, 2013, Governor Neil Abercrombie signed into law Act 211, which establishes a green infrastructure financing program. Named GEMS, or Green Energy Market Securitization, this novel financing model is designed to make clean energy improvements, such as photovoltaic panels, affordable and accessible.

GEMS levels the playing field for everyone, but especially for underserved community members, including low- and moderate-income homeowners, renters and nonprofits. The program will address the financial challenges many Hawaii residents face when attempting to purchase and install energy saving devices.

GEMS will take a proven rate-reduction bond structure and use it in an innovative way to provide low-cost financing to utility customers. Payment for the devices would be made over time through one's electricity bill and paid for with the energy savings. Upon approval from the PUC, DBEDT will facilitate the GEMS financing program via the SEO in 2014.

### **Installation of HELCO'S Battery Energy Storage System (BESS)**

Funded by the 2009 American Recovery and Reinvestment Act (ARRA) - State Energy Program, this project helped Hawaii Electric Light Company (HELCO) install a Battery Energy Storage System (BESS) in order to demonstrate stabilization of voltage and frequency fluctuations on a 12 kilovolt (kV) distribution circuit for intermittent renewable energy sources. The application of energy storage technology offers a promising potential to optimize integration of Hawaii's wide variety of available renewable energy sources, and provides progress towards meeting RPS goals.

### **Developer and Investor Center**

National and international developers and investors are discovering that Hawaii is the ideal laboratory for the development of clean energy technologies. With an eye toward economic growth and renewable energy diversification, Hawaii has taken important steps to support high impact, clean energy solutions that remove barriers towards the development of renewable energy project development. The online Developer & Investor Center is a dynamic resource, regularly updated by SEO, to inform users of contemporary issues and potential solutions facing renewable energy development in Hawaii today.

The Center provides guidance on project permitting, local utility interconnection, Hawaii business registration, project financing and local incentives, local permitting consultants, and site acquisition in Hawaii. It hosts the Guide to Renewable Energy Facility Permits in Hawaii and useful information (permit packets) for over 160 federal, state, and county permits, including process steps, estimated timelines and costs, agency contacts, and relevant laws and references.

The Center links to the Hawaii Department of Health (DOH) e-Permitting Portal for online processing of DOH environmental permits and approvals (air, water, ground). The Portal provides transparency into DOH permitting processes and empowers DOH to electronically manage its permitting forms and databases. e-Permitting has been implemented in other states and can serve as a model for other agencies considering electronic permit management.

### **Self Help Energy Suite**

SEO provides developers and investors with important technical assistance, permitting tools and local connections to accelerate a project's journey to the marketplace, where the rewards will be felt statewide. SEO created the Self- Help Energy Suite of tools to advance high impact, clean energy projects. Following is a description of these tools:

- **Renewable EnerGIS Map** provides renewable energy resource and site information for specific Hawaii locations. It is intended to help landowners, developers, and policy makers understand the renewable energy potential of sites statewide.
- **Renewable Energy Permitting Wizard** was developed to help those proposing renewable energy projects understand the county, state and federal permits that may be required for their individual project. This tool works for projects ranging in size from residential solar installations to large utility-scale facilities. It is currently being upgraded to reflect current permitting requirements, improve user functions, and be available in an open source software environment.
- **Hawaii Renewable Energy Projects Directory** is an interactive directory to find and learn about renewable energy projects in Hawaii. The directory lists projects statewide, showcasing the variety of renewable energy resources that are being harnessed to move us closer to reaching our overall clean energy goals.

In November 2013, SEO's Renewable EnerGIS Map and Renewable Energy Permitting Wizard programs received top honors at the 2013 Hawaii Technology Excellence Awards.

### ***Energy Efficiency Initiatives***

Under HRS 196-4(3), the Energy Resource Coordinator shall formulate and recommend specific proposals, as necessary, for conserving energy resources and shall assist public and private agencies in implementing energy conservation and efficiency programs. State energy policy is committed to maximizing cost effective investments and fostering high impact programs.

### **Energy Performance Contracting (EPC)**

To date SEO has provided technical assistance to state and county agencies resulting in \$171 million in the value of energy performance contracting. In 2013 Hawaii retained its top national

ranking for energy performance contracting (EPC) per capita with an investment of \$132.25/capita, resulting in a second consecutive national Race to the Top Award from Energy Services Coalition.

EPC is an innovative approach to implementing energy and water efficiency measures using guaranteed energy savings to pay for the projects. EPC can provide government agencies much needed deferred maintenance relief. By including deferred maintenance and performance period maintenance services under a single contract with guaranteed savings measures, agencies can maximize their investments.

SEO has been leading the state's award-winning EPC efforts since 1996. SEO provides technical assistance to state and county agencies, including analysis of energy savings measures, review of solicitation and other documents, and advice on agency-specific issues.

To date, SEO has provided technical assistance to:

- University of Hawaii at Hilo
- Hawaii Health Services Corporation
- City and County of Honolulu's four city buildings and Kailua Wastewater Treatment Plant
- County of Hawaii
- County of Kauai
- Department of Accounting and General Services (DAGS)-Phase I-10 large office buildings
- University of Hawaii Community Colleges
- Department of Public Safety's four large facilities

Technical assistance for ongoing or proposed projects includes the following:

- Department of Transportation-Airports
- DAGS Phase II -33 buildings
- City and County of Honolulu – Sand Island and Honolulu Wastewater Treatment Plants
- University of Hawaii at Hilo-Phase 2
- Hawaii Health Services Corporation-Phase 2
- Department of Defense
- Department of Public Safety-Phase 2 (prisons and jails statewide)
- County of Kauai-Phase 2
- Board of Water Supply's water pumping facilities

### **Green Sun Hawaii**

To help Hawaii property owners (single- and multi-family, nonprofit and businesses) make energy efficiency and renewable energy retrofits to their homes, apartment complexes and facilities, the State of Hawaii created GreenSun Hawaii, a credit enhancement program funded by a \$3.75 million U.S. Department of Energy grant under the American Recovery and Reinvestment Act of 2009.

Administered by the Hawaii Community Reinvestment Corporation (HCRC), the program provides local financial institutions with access to a loan loss reserve (LLR) which may cover up to 100% of actual losses, enabling participating lenders to extend loan availability to a larger pool of customers and offer more aggressive rates and terms.

GreenSun Hawaii can help to finance ENERGY STAR refrigerators and air conditioning systems, solar thermal hot water systems and PV systems for residential purposes. For non-residential purposes, the loan can be used to finance lighting and air conditioning retrofits and upgrades; solar thermal and PV systems; energy efficiency window, cool roof and other installations eligible for Hawaii Energy/KIUC rebates; and loan related fees.

Since GreenSun Hawaii's inception in 2011, the program has resulted in:

- 13 Participating Lenders and 41 Authorized Contractors statewide
- 78 loans aggregate to over \$2 million
- An estimated energy savings of 556,000 kWh/year (11.1 million kWh over the life of the installations); Energy savings over the life of the equipment is equivalent to powering 1,507 households
- An annual electricity bill savings of \$221,000 (\$4.4 million over the life of the systems)
- A carbon dioxide (CO<sub>2</sub>) reduction of 837,000 lbs/year (16.7 million lbs over the life of the installations)

#### **LEED Gold Certification for State Office Tower**

The U.S. Green Building Council recognized the State Office Tower (SOT) with a prestigious Leadership in Energy and Environmental Design (LEED) Gold Level award in the category of Existing Buildings: Operations & Maintenance. The SOT is the first major office building, public and private, to receive LEED Gold in the category for Existing Buildings. The certification is a third-party verification that the 161,000-square foot SOT is being operated in a manner that maximizes operational efficiency and minimizes environmental impacts: reduced energy, water and resource consumption; enhanced indoor environment; minimized operational costs. The SOT achieved a score of 96 under the ENERGY STAR Portfolio Manager program of the U.S. Environmental Protection Agency. A score of 96 means the SOT is in the 96 percentile for energy efficiency of similar buildings in the nation.

#### **Green Business Program**

The SEO's Hawaii Green Business Program assists and recognizes businesses that strive to operate in an environmentally, culturally and socially responsible manner. As a partnership between DBEDT and the state's Department of Health, the Board of Water Supply and the Chamber of Commerce of Hawaii, the program recognizes businesses that are committed to going green by implementing energy and resource efficiency practices and helping to create a more sustainable Hawaii. The Green Business Program helps business owners reduce utility

and water costs, implement environmentally sound product purchasing and practices, and collectively contribute to Hawaii's clean energy goal.

From 2009-2012, the program has assisted and recognized over 70 business and government entities, resulting in the following savings:

- 9.732 million kWh of energy (comparable to an annual energy savings of 1,318 homes in Hawaii)
- 45.93 million gallons of water
- \$2.278 million of energy costs

### **Advancing Energy Efficiency in Hawaii Public Facilities**

SEO was awarded a U.S. Department of Energy grant for a \$350,000 State Energy Program 2012 Competitive Award which will be applied to strengthening, enhancing and expanding its existing energy efficiency programs by:

- Incorporating ENERGY STAR Portfolio Manager to benchmark appropriate State Executive Branch facilities; and,
- Using the results to encourage state agencies to bundle facilities to pursue energy efficiency through energy savings performance contracts or other financing mechanisms.

### **Rural Small Business and Farms Program**

SEO was awarded a U.S. Department of Agriculture grant for the Rural Energy for America program which provides professional services to prepare energy audits for eligible rural small businesses and farms, with support and in partnership with Hawaii Energy and the Counties of Maui, Kauai, and Hawaii. The program also assists the audit recipients in locating funding to implement the energy efficiency measures identified in the audit. Audit recipients will provide 25% of the cost of the audit and SEO is providing \$25,000 in-kind cost share for managing and marketing the program. The project will advance Hawaii's food and energy security.

**CONCLUSION**

As outlined in this report, Hawaii is on track to meet our next set of 2015 RPS and EEPS goals. All of this is aligned with the Abercrombie Administration's committed focus on reducing our dependence on imported oil and stabilizing energy costs, both of which are essential to establishing a sustainable economy for the people of Hawaii. While there is still a lot of work to do, Hawaii has enormous potential for ultimately achieving and exceeding the state's 2030 clean energy goals.