



Hawaiian Electric Company

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Hawaiian Electric seeks local biofuels for long-term contracts

(Honolulu, Hawaii): Hawaiian Electric Company today began a formal quest for a long-term supply of biofuels made from feedstocks produced and processed within the state of Hawaii. These local biofuel supplies may be proposed for use at Hawaiian Electric companies' generation sites on Oahu, Maui, Molokai, Lanai and Hawaii Island.

The proposals may use land or water-based crops, waste animal fat or yellow grease feedstocks originating in Hawaii that may be converted to liquid biofuel. Each growing, production and processing method for supplying biofuels to Hawaiian Electric companies must meet all environmental standards and other requirements under federal, state and county laws.

Proposals will also be carefully evaluated as to how well they meet environmental guidelines for the sustainable use of biofuels developed by Hawaiian Electric Company in partnership with the Natural Resources Defense Council.

Responders to the request for proposals (RFP) are encouraged to "think broadly about the larger benefits of their approach to the people of Hawaii, the local economy and the local environment." Proposals may note possible benefits such as the number and types of jobs created, both directly and indirectly over the life of the project, expenditures to be made in the local economy, and any environmental services the project may provide.

"This is the next stage in Hawaiian Electric's long-term commitment to create a clear market for locally grown biofuels," said Robbie Alm, Hawaiian Electric executive vice president. "This first call for proposals will test the market and determine what our next actions must be.

"Hawaiian Electric is totally committed to building a clean energy economy in which at least 40 percent of electricity comes from a portfolio of renewable sources. Sustainable biofuels are critical to that mix. Biofuels produced locally are the most beneficial for our economic, environmental and energy security.

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“This call for proposals sends a clear market signal to land owners and agricultural interests that if they plant today they will be able to sell their products for a reasonable return on their investment and effort tomorrow. Once proposals are received, we hope we will find viable plans so we can negotiate on volume, price, locations and other details to make this happen,” Alm said.

The Hawaiian Electric companies already actively promote use of biofuels in place of fossil fuels where possible. On Oahu, Hawaiian Electric’s newest combustion turbine generating unit at Campbell Industrial Park is designed to run on biodiesel. The utility is finalizing plans to test a blend of biofuels in existing steam generation units.

All islands served by Hawaiian Electric utilities have generators that could use varying supplies of biodiesel or biofuels which may be blended with other fuels. Hawaiian Electric continues to support research on biofuel crops by the Hawaii Agricultural Research Center and the University of Hawaii.

Selected suppliers for the local biofuels RFP must receive all required project-related permits and approvals including all appropriate county construction and other permits, and approvals as applicable from the Hawaii Public Utilities Commission, Hawaii Department of Health, Hawaii Department of Transportation, Commission on Water Resource Management and the Federal Aviation Administration.

Complete information for bidders is available at <http://biodieselsupply.heco.com>. Letters of intent are due by May 7, 2010. The final acceptance date for proposal submittals is June 18, 2010.

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