

Leading Role for HC&S in Hawaii Renewable Energy Research, Biofuels -- Federal Funding to be Provided

PUUNENE, Hawaii, Apr 07, 2010 (BUSINESS WIRE) -- Hawaiian Commercial & Sugar Company (HC&S) today announced that it is at the center of significant new Hawaii-based research initiatives on biofuels, working closely with the University of Hawaii and various federal agencies to realize the promise of expanded production of clean, renewable energy.

In today's announcement, HC&S noted support from Sen. Daniel K. Inouye in detailing annual federal funding of at least \$4 million that will be made available through two separate programs, one funded by the Department of Energy (DOE) and the other by the Navy's Office of Naval Research (ONR), to conduct research at HC&S.

The DOE funding of \$2 million annually will be directed to research on energy crop development and energy conversion technologies to be conducted by the University's College of Tropical Agriculture and Human Resources (CTAHR). The ONR funding, also \$2 million annually, will support complementary crop and technology assessments, as well as an evaluation of long-term resource requirements for biomass production. In announcing the ONR portion of the funding, US Department of Agriculture Deputy Secretary Kathleen Merrigan said the USDA would direct the research initiatives, providing \$2 million per year through 2015, to help Hawaii accelerate sustainable biofuel feedstock production.

"This federal funding represents a vote of confidence in Hawaii and in the future of HC&S," said Chris Benjamin, general manager of HC&S. "It is a significant step toward our goal of transforming HC&S into a large-scale energy farm, playing a key role in securing Hawaii's energy future."

Benjamin continued, "These research programs further complement our ongoing efforts to pursue energy projects with the private sector. Our ultimate goal is to produce advanced biofuels and renewable electricity from sugarcane and other biomass crops grown in Hawaii. In order to do that, we must carefully assess both parts of the bioenergy picture: the feedstock supply and the feedstock conversion to fuel."

Benjamin explained that the DOE-CTAHR and ONR-USDA partnerships are evidence there is growing national interest in the potential for biofuel production in Hawaii. "There is broad agreement by these agencies that HC&S is in a unique position to investigate this potential. So while we continue to address the challenge of restoring our sugar business to profitability in the near-term, we have a road map to a long-term future as a major provider of clean energy," Benjamin stated. "We see our emerging role as a working laboratory--for Hawaii and the rest of the country--to test the potential of biofuel production."

HC&S has a long history of working collaboratively with outside research organizations, including UH-CTAHR and the Hawaii Agricultural Research Center, in agricultural research and development. HC&S' large acreage, access to water, irreplaceable farming infrastructure and agricultural labor force make it an ideal candidate for large-scale biofuel production. Benjamin noted that while conversion technologies are still in the developmental stage, "breakthroughs are on the horizon."

Sen. Inouye echoed Benjamin's comments in his visit to HC&S on Wednesday. Inouye expressed his support for energy crop development and conversion technology. He said the funds invested by the DOE and the Navy's ONR will support studies that could benefit biofuel development efforts not just in Hawaii but across the US Mainland.

HC&S cultivates more than 35,000 acres of sugarcane in Maui's central valley and provides employment to 800 Maui residents. Most of its raw (unrefined) sugar is shipped to Crockett, California for further refining by C&H Sugar. HC&S also produces food-grade specialty sugars at its Pu'unene Mill on Maui. Besides supplying the electricity for all of its own operating needs, HC&S produces about 7% of the electricity consumed by the rest of the island of Maui. This 7% represents about 35% of the island's renewable energy supply, which HC&S generates primarily through the burning of bagasse (the remains of the sugar cane plant, after the sugar has been extracted).

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SOURCE: Hawaiian Commercial & Sugar Company

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