STATE OF HAWAII - ENERGY POLICY DIRECTIVES

Our state energy policy is rooted in one principle: a commitment to maximize the deployment of cost effective investments in clean energy production and management for the purpose of promoting Hawaii's energy security.

- **Diversifying our energy portfolio:** Diversity has always been one of Hawaii's greatest assets. Our energy resources are no exception; we are blessed with diverse resources such as solar, wind, hydro, bioenergy, geothermal, and energy efficiency. Among these resources, geothermal holds particular promise as a clean and firm energy source that is also low-cost. Biofuels, another important resource, should be targeted primarily for jet fuel, and used in electric generation only as a transitional use. Liquefied natural gas holds promise as a transitional fuel on a limited scale, if it can be deployed at a true cost savings.
- **Connecting the islands through integrated, modernized grids:** Hawaii is connected in many ways that make us stronger. Linking the islands enables us to utilize our islands' best resources, at a scale that will reduce costs. Levelizing electricity rates across connected islands will not only lower rates on neighbor islands, but may also improve overall system efficiency. Since existing technical analyses show that Oahu lacks resources and sites to economically move beyond 25-30% renewable energy on its own, investing in undersea cable infrastructure is the pathway to an energy future that breaks our addiction to fossil fuels. The State Administration is determined to achieve its goal of 100 percent renewable energy generation by 2045. Maximizing affordable clean energy is a core strategic goal, and provides the most secure foundation for our economy and way of life.
- **Balancing technical, economic, environmental, and cultural considerations:** Most renewable energy sources are less expensive than oil, but to integrate these resources we often need to blaze new pathways both in technology and policy. Not all clean energy projects are created equal. In order to find the most beneficial long-term solutions, we must focus on projects that make the best use of land and resources. We are collaborating with partners in the public and private sectors to focus on the most beneficial projects, ensuring that challenges are met with a spirit of collaborative problem solving, not inaction.
- **Leveraging our position as a test bed to launch an energy innovation cluster:** Hawaii should not only demonstrate the future of clean energy, but should also help invent it. Our isolated, islanded grids, high energy costs, and connections to the Asia Pacific region make Hawaii an ideal test bed for new energy solutions. We're working to create an environment where our communities support innovative companies that are solving the world's toughest energy challenges – and creating new jobs and opportunities for investment for a knowledge-based economy right here in Hawaii. Innovation is the cornerstone of our economic diversification strategy.
- **Creating an efficient marketplace that benefits producers and consumers.**