



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

NEWS RELEASE

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GOVERNOR

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**GOVERNOR ABERCROMBIE SIGNS MEMORANDUM OF
UNDERSTANDING FOR JAPAN-U.S. SMART GRID DEMONSTRATION
PROJECT**

--\$37 million smart grid demonstration project to begin next year--

HONOLULU – State government and energy officials joined Governor Neil Abercrombie and Japan-based New Energy and Industrial Technology Development Organization (NEDO) President Hideo Hato at the State Capitol today as the two leaders signed a memorandum of understanding to memorialize ongoing efforts between the State of Hawaii and NEDO. NEDO is an arm of Japan's Ministry of Economy, Trade and Industry. They are set to build a first-of-its-kind smart grid demonstration project on the Island of Maui. The multi-million dollar project is aimed at improving integration of variable renewable resources, such as solar and wind power, and preparing the electric system for widespread adoption of electric vehicles.

“Anticipation for this project has been building for quite some time, and now it is official,” stated Governor Neil Abercrombie. “Hawaii’s clean energy industry has shown significant year-to-year growth, and it is becoming a strong driver in our economy. This project will invest \$37 million in the development of advanced smart grid technology and will further position Hawaii as an international leader in the clean energy space, serving as a hot spot for global investment and research and development.”

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The project is part of the Hawaii-Okinawa Partnership on Clean and Efficient Energy Development and Deployment, which was signed by the U.S. Department of Energy, Ministry of Economy, Trade and Industry of Japan, State of Hawaii and Prefecture of Okinawa in June 2010. The partnership is intended to foster the development of clean and energy efficient technologies needed to solve global energy security and climate change challenges. Japan and the United States designated Hawaii and Okinawa as the representatives for this groundbreaking partnership due to their demonstrated leadership and experience in clean energy and energy efficiency.

“It is our great pleasure to be provided a special opportunity to work along with Hawaii in a cutting-edge smart grid project under the Japan-U.S. Clean Energy Policy,” said President Hato of NEDO. “Such mutual collaboration will contribute to a breakthrough toward a solution needed by both countries, expansion of renewable energy and integration of grid networks. We hope that this project will provide a model for island grids in the Asia-Pacific region and across the globe.”

Hawaii’s clean energy goal is one of the most aggressive in the world, and has become a major catalyst for new business growth and innovation in the state. With at least 66 renewable energy projects in various stages of development in the queue, Hawaii is fast becoming a major player in the global clean energy economy. The fact that Hawaii is the perfect test bed for renewable energy has also contributed greatly to the state’s success. Surrounded by the Pacific Ocean, blessed with year-round sun, consistent trade winds, and home to one of the earth’s most active volcanoes, Hawaii is one of the few places in the world capable of harnessing solar, wind, geothermal and ocean thermal energy – all within a 200-mile span.

“The Maui smart grid demonstration project will elevate Hawaii’s position in the global clean energy marketplace and reaffirm our position as an energy test bed in the Pacific,” said Richard Lim, Director, State Department of Business, Economic Development and Tourism.

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With significant renewable energy already in place, Maui is the perfect location for the project, which is designed to establish a model to integrate clean energy in a smart grid system. More specifically, the project will develop and install smart utility system controls in the Kihei area on Maui to improve the integration of photovoltaics and electric vehicles. Advanced electric vehicle charging management systems will enable utility operators to better balance generation and power demand while accepting larger amounts of solar and wind power.

The project's contractors, Hitachi, Ltd., Cyber Defense Institute, Inc. and Mizuho Corporate Bank, Ltd., will cooperate with the State of Hawaii, the Hawaiian Electric Company, the University of Hawaii and the United States National Laboratories.

Installation of the smart grid technology is expected to begin in late 2012, with the project becoming operational in 2013. The demonstration project is scheduled to run from 2013-2015.

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