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**NEWLY APPROVED LOCAL BIOFUELS CONTRACT ALIGNED
WITH STATE'S LONG-TERM ENERGY GOALS**

HONOLULU — The State Energy Office commends a new fuel contract between Hawaiian Electric Company (Hawaiian Electric) and Hawaii BioEnergy (HBE) recently approved by the Hawaii Public Utilities Commission (PUC). The agreement calls for Hawaiian Electric to purchase approximately 10 million gallons of locally produced biofuels annually from HBE over 20 years for the utility's Kahe Power Plant in Kapolei.

"The PUC's approval of this agreement sets a clear path for achieving the state's long-term economic and clean energy interests," said Gov. Neil Abercrombie. "This agreement will contribute to Hawaii's green job growth, which is a key part of Hawaii's economic transformation through the expanding clean energy sector."

HBE is a consortium of three of Hawaii's largest landowners and three venture capital companies that plan to use locally grown feedstocks to produce biofuels. The agreement allows HBE to provide Hawaiian Electric with biofuels produced from dedicated local sustainable energy crops on Kauai to offset and reduce imported fossil fuels.

“Having a diverse renewable energy portfolio that includes renewable biofuels for the electricity sector will also help the state achieve a clean energy transformation that may benefit the transportation sector in the long term,” said PUC Chair Hermina Morita.

The agreement comes three months after HBE announced an agreement with Alaska Airlines to supply the carrier with sustainable biofuels. HBE has also entered into a memorandum of understanding with the Boeing Company to evaluate opportunities to develop renewable aviation fuels in Hawaii.

“As Hawaii emerges as a global clean energy leader, this is an example of how technologies developed and deployed here can have a significant impact worldwide,” said Richard Lim, director of the Department of Business, Economic Development and Tourism. “Hawaii BioEnergy’s strategy to also target the aviation market reinforces the state’s energy policy to develop locally produced renewable biofuels production through long-term contracts and move into higher value markets such as jet fuel.”

“The PUC’s decision to approve this long-term contract for the production of locally produced biofuels is supportive of the state’s quest for a diverse portfolio of clean energy solutions and greater price stability for our energy consumers,” added State Energy Administrator Mark Glick. “This agreement sets the stage for locally produced biofuels to play a more meaningful role in helping achieve the state’s renewable portfolio standard.”

The state’s energy policy may be found on the State Energy Office’s website at energy.hawaii.gov. The PUC’s decision may be found on its website at <http://dms.puc.hawaii.gov/dms/> (Docket No. 2011-0369).

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