

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

State Energy Office

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HAWAII REFINERY TASK FORCE SUBMITS FINAL REPORT TO THE GOVERNOR

HONOLULU — The Hawaii Refinery Task Force has completed its year-long study of the potential impacts of refinery closures and has submitted its Final Report to Gov. Neil Abercrombie.

In its final meeting on April 9, the task force unanimously adopted the study's Final Report prepared by ICF International with input from the task force members and other stakeholders. The Final Report found a number of measures that are already helping state policymakers take action to secure Hawaii's future energy supply:

- The state is advancing legislation to modernize Hawaii's outdated gasoline specification;
- Refinery closure scenarios are being incorporated into the Kalaeloa Barbers Point Harbor planning processes; and
- A prioritization process is being developed for ensuring delivery of jet fuels at Pier 51.

The Final Report also raised a number of longer-term challenges that the state must address:

• While the Hawaii Clean Energy Initiative (HCEI) is significantly reducing the state's use of fossil fuels for electricity generation, much more will need to be done to reduce this reliance on fossil fuel for transportation.

(more)

Hawaii Refinery Task Force Submits Final Report to the Governor Page 2 of 2

- The gradual phase out of the fossil fuels and the further development of renewables, bioenergy, liquefied natural gas (LNG), and a connected state power grid over the coming decade will require careful planning to ensure stability of the grid.
- Given the complexity and urgency of these issues, there may be need for establishment of a designated coordinated entity to ensure alignment of state policy and actions around conventional fuels, as part of the state's overall energy strategy.

"I congratulate the open, transparent, and collaborative approach employed by the task force to complete this study," said Gov. Abercrombie. "This final report validates the importance of a sustained and reliable energy supply for the people of Hawaii."

"This final report represents an effective collaboration of task force members to address challenges Hawaii faces in its rapidly evolving energy and fuels ecosystem," added Richard Lim, Department of Business, Economic Development and Tourism Director, who oversaw the task force. "Based on task force findings, energy stakeholders are taking the first steps to reduce vulnerabilities in Hawaii's fuel supply infrastructure which could lead to supply and price disruptions in the event that one or both of Hawaii's refineries closed."

The Final Report can be viewed on the Hawaii State Energy Office's website at <u>energy.hawaii.gov</u> (on the Homepage and Publications section).

Gov. Abercrombie established the 30-member task force by executive order in February 2013 to identify the challenges and risks if one or both refineries in the state were permanently closed and to advise him on Hawaii's future fuels ecosystem.

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