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Q1 Update on District Cooling Project for Downtown Honolulu

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The earthquake and tsunami in Japan one year ago this month resulted in a boycott of nuclear power across that country and a reversion to using oil for producing electricity. This increased demand for oil in the Asia-Pacific region is the primary reason of our high electricity costs today, and has revived the sense of urgency for renewable energy projects that reduce our demand for electricity.

There are projects in development throughout the state that one day will help to completely free us from our dependence on oil. However, many of these projects are years away from breaking ground and making a real impact on energy costs.

However, there is one project, in particular, that is making significant progress and is poised to change the way that commercial and residential buildings in downtown Honolulu and Kakaako provide climate control.

Honolulu Seawater Air Conditioning is slated to break ground this year on a 25,000-ton seawater air conditioning district cooling system for downtown Honolulu, which will provide reliable 24/7 air conditioning service using an abundant, local, natural, and renewable resource – deep cool seawater.

By reducing the electricity required to cool large downtown office and residential buildings by up to 75%, the project will help to stabilize energy costs while reducing our dependence on oil by 178,000 barrels each year. Stable and predictable energy prices are critical for enabling businesses to accurately forecast costs and provide a significant competitive advantage to their customers.

The project has already received approval of nearly all of the necessary entitlements, including its State Environmental Impact Statement (EIS), Special Management Area use Approval and Shoreline Setback Variance (SMA) permit, and a Conservation District Use Permit (CDUP), which brings the idea of a green downtown closer to reality.

Just last month, HSWAC entered into a Grant of Non-Exclusive Easement and Construction Right of Entry in Kakaako makai lands from the Hawaii Community Development Authority (HCDA) for the underground piping of the project in that area.

In December, the company successfully completed its keyhole survey to ensure the project's chilled water distribution network throughout downtown does not interfere with existing utilities.

A 55-year lease was recently signed with Kamehameha Schools for a 30,000-square foot parcel in Kakaako to build and operate the pumping station and exchange facility required for the seawater district cooling system. Bids are currently out to local contracting firms to carry out all construction aspects of the project.

Hawaiian Electric Company, First Hawaiian Bank, and One Waterfront Towers have already signed on to take advantage of the company's services to reduce energy costs, improve efficiency and promote a sustainable future for Hawaii using clean, local and long-term renewable energy solutions.

Construction of the project is expected to commence this summer, with service to customers beginning in 2013.