



AIRPORTS TO GO GREEN, REDUCE ENERGY COSTS BY \$518 MILLION

Posted on Dec 18, 2013 in [Airports News](#), [Main](#), [News](#)

Honolulu – Gov. Neil Abercrombie unveiled an unprecedented energy efficiency program for the Department of Transportation’s (DOT) Airports Division that will cut energy use by 49 percent, saving at least \$518 million in energy costs over the next 20 years.

The airports will be modernized with the latest in energy-efficient and green technology, providing a high-impact solution for the Abercrombie Administration’s aggressive pursuit of 70 percent clean energy use for the state of Hawaii by 2030.

“These important upgrades at our airports will help Hawaii reach its clean energy goals,” said Gov. Abercrombie. “This project is a long-term investment, which will cut the energy use at our airports nearly in half, reduce our dependence on imported energy sources, provide savings on future energy costs and add jobs to our economy.”

The project will deliver results by replacing 372 transformers and 74,500 light fixtures, installing 9,100 solar photovoltaic panels; and include upgrades and replacement of chilled water and air conditioning systems, installation of smart controls, and deferred maintenance such as roof repairs to accommodate the upgrades. The \$150 million contract was awarded to Johnson Controls through a state competitive procurement process for Energy Performance Contracting (EPC).

“This important project is part of a strategy and vision to reduce costs and improve energy efficiency,” said DOT Director Glenn M. Okimoto. “DOT will make a large impact since the state airports system is the third largest consumer of electricity in Hawaii. This project will save the state millions of dollars and it will serve as a model for other state agencies.”

“Energy efficiency is Hawaii’s cleanest, fastest, and cheapest clean energy resource,” said Jeff Mikulina, CEO of Blue Planet Foundation, an organization working to clear the path for clean energy in Hawaii. “Every kilowatt hour avoided is fossil fuel that we don’t import—and carbon pollution that we don’t export.”

“It is both suiting and symbolic for Hawaii’s airports—the gateways for Hawaii residents and visitors—to be models of energy efficiency,” he added. “Blue Planet applauds the Governor, his Administration, and the private sector partners who are making this record-setting energy savings project a reality.”

The DOT Airports Division spearheaded this project in cooperation with the state Department of Business, Economic Development, and Tourism (DBEDT). More than 400 local jobs will be created while adding \$670 million in economic development. “This project uses the successful EPC model,” said DOT Deputy Director for Airports Ford Fuchigami. “In just two years the

state will be reaping the energy savings and cost benefits of this program with a guaranteed savings of \$15.8 million.”

Hawaii leads the nation in EPC, and was recently honored with its second consecutive national Race to the Top award in this area. The Hawaii airports project is the largest EPC initiative in the country to date.

“This substantial efficiency project moves Hawaii further into the national spotlight for leadership in performance contracting and contributes to the growth of our clean energy economy,” said DBEDT Director Richard Lim. “It will fulfill half of our recent Clinton Global Initiative *Commitment to Action*, in which we pledged \$300 million in investment paid for through energy savings by June 2015, as well as our participation in the Obama Administration’s *Performance Contracting Accelerator Program*, aimed at catalyzing public sector energy efficiency investments in the U.S.”

As part of President Obama’s Climate Action Plan, Hawaii is a partner in the Performance Contracting Accelerator Program under the Better Buildings Initiative, a national leadership effort calling on leaders to make substantial commitments to improve the energy efficiency of their buildings and plants, save money and increase competitiveness.

“Through President Obama’s Better Buildings Initiative, our partners are committing to real change – breaking through barriers and solving common challenges across the U.S. building energy industry,” said Deputy Secretary of Energy Daniel Poneman. “We applaud these partners for joining in this leadership initiative and we look forward to working with them as they help drive greater energy efficiency for industrial, commercial and public buildings – cutting harmful pollution and saving on energy bills.”

Hawaii airports used an innovative financing structure by issuing certificates of participation (COPS) to finance the project, selling \$167.7 million of certificates in the municipal bond market last week in New York. The financing received an overwhelming response from market investors, receiving more than \$1.1 billion in orders from local Hawaii and national investors.

“This project illustrates the state’s effort to diversify its financing options and capabilities, with the targeted objectives to reduce costs to taxpayers.” said Finance Director Kalbert Young. The Airlines Committee of Hawaii, the consortium of airlines utilizing Hawaii airports, lauded the State’s EPC initiative.

“Gov. Abercrombie’s strategic efforts to invest in energy savings measures will ensure cost savings for airlines and consumers in the years to come,” said Blaine Miyasato and Matt Shelby, co-chairs of the Airlines Committee of Hawaii.

To date, state and county agencies have implemented nine EPC projects impacting more than 115 buildings, hospitals, courthouses and educational campuses, with an estimated savings of \$341.3 million over a 20-year period. With the airports project, Hawaii is national leader in EPC savings of \$859 million over a 20-year period.