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THE HANNEMANN/CHANG CAMPAIGN UNVEILS ITS ENERGY POLICY

HONOLULU, HAWAII - Mufi Hannemann and Les Chang today announced a new energy policy for Hawaii that would contain and ultimately reduce electricity prices.

Energy

Hannemann said, "We need a new energy policy that embraces geothermal power, builds an inter-island smart grid and introduces competition into our energy market." He went on to say, "While it is the role of a company's publicly traded board to be responsive to its shareholders, it is the responsibility of the governor to look out for the people of Hawaii."

Hannemann noted, "Electricity prices in Hawaii are 300% higher than the mainland. This hurts our economy and lowers the standard of living of families and businesses."

The gubernatorial candidate said that we depend on oil and coal for 85% of our electricity production. In the last fifteen years, the price of oil has increased eight fold, from $12.76 to $108.56 (1998 to 2013). This has caused the rise of electricity prices to prohibitive levels.

Hannemann said, “We are dangerously exposed to oil price increases. If we fail to make the transition to a renewables future, electricity rates will continue to rise, making a bad situation even worse.”

The five main elements of the Hannemann/Chang plan are:

1. Engage the Community in a discussion of Hawaii’s energy future, particularly those on the Big Island who may be most affected.

2. Create a State Department of Energy, charged with developing and overseeing a new comprehensive energy strategy for Hawaii.

3. Reposition the PUC, expand its mandate, endorse a performance-based rate structure and ensure it has the resources to do its job.

4. Conduct an Independent Review of Geothermal Energy, to evaluate the benefits and costs of developing a major geothermal facility and address health and safety concerns.

5. Evaluate the capacity of Hawaiian Electric Industries to lead us to a future where renewables are the core of our energy strategy.

While the Clean Energy Initiative (2008) set laudable goals we are left hostage to oil prices, as fossil fuels would still account for 60% of our needs in 2030. Moreover, it depends critically for its success on the willingness and ability of Hawaiian Electric Industries to transform itself from a traditional utility to a modern transmission and distribution company.

Hannemann said, “We are moving too slowly in realizing our goals for energy independence. We need large scale investment in all forms of renewable energy and we need it now.”

On Geothermal energy, Hannemann said, "Geothermal resources could supply more than half our energy requirements. And the cost of producing geothermal is a fraction of other sources. Once the initial investment has been recovered, electricity prices will fall significantly."

To make this investment, without raising taxes or taking on more public debt, Hannemann and Chang will form a Public Private Partnership. Such partnerships are a well-established means of constructing, financing and operating large infrastructure projects.

As Hannemann observed, "We will use other people's money and expertise to build a state of the art geothermal facility and a new inter-island grid."

Geothermal is a clean energy source and the newer technology has proven to be safe and reliable especially in the 23 countries and 8 states with projects on-line. That said, there have been occasional emissions from older plants. Commenting on Mayor Billy Kenoi's recent initiative to study the health effects of geothermal power generation on Puna residents, Hannemann said: "We welcome the Mayor's health initiative and will carefully study the results. It is paramount that all Federal and State safety and maintenance requirements are rigorously applied and enforced."

Hannemann also noted the recent comments of DBEDT (Department of Business, Economic Development, and Tourism) on HEI's Power Supply Improvement Plans (PSIPs) and the need for a fundamental review of HEI's vertically integrated business model, the public policy concerns with doubling down on LNG (Liquefied Natural Gas) and the assumption built into HEI's plans that the rate base will grow at an average 9% per year to 2030.

Commenting on the need for competition in the Hawaii energy market, and noting the "vertical monopoly" of Hawaiian Electric Industries (HEI), Hannemann said, "We envisage a future where there is competition between a number of energy producers and a separate and independent company that owns and operates a modern smart inter-island grid."

The full Hannemann-Chang plan can be found at Vote.Mufi.com

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Visit his Website at http://www.VoteMufi.com **for more information on Mufi Hannemann's campaign or stop by the Hannemann/Chang Headquarters located at 1505 Dillingham Blvd. in Kalihi, open 7-days a week from 8:00 a.m. to 7:00 p.m.**