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FOR IMMEDIATE RELEASE

12/18/08

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KIUC and Pacific West Energy LLC to Enter Into Agreement

Lihue, Kauai, HI – 12/18/08 - Kaua'i Island Utility Cooperative (KIUC) Board of Directors agreed in their regular monthly meeting on Tuesday to enter into a collaborative agreement with Pacific West Energy, LLC (PacWest) to achieve established and necessary renewable energy goals and greenhouse gas reductions.

PacWest plans to develop an approximately 20-Megawatt Biomass-to-Energy Project on Kauai to provide electrical capacity and energy to KIUC.

The agreement is a good faith effort between both parties to negotiate and enter into a Power Purchase Agreement (PPA) for the project on terms mutually acceptable to PacWest and the Co-op. This innovative agreement helps pave the way for KIUC to build on our current renewable energy needs to help us meet our strategic plan goal of becoming more than 50 percent renewable within the next 15 years. Our strategic plan allows us to meet the goal of transforming Hawai'i's energy portfolio into a renewable energy mix in support of the Hawai'i Clean Energy Initiative's commitment to moving away from reliance on fossil fuels.

"PacWest is looking forward to working with KIUC to further Kaua'i's renewable portfolio," said William Maloney, President of PacWest.

"KIUC has long acknowledged that significant investments in new additional renewable energy generation will be required for us to achieve not only our strategic goals, but to meet Hawai'i's Renewable Portfolio Standards (RPS)," said Dennis Esaki, board chair. "Currently KIUC's plan is to significantly exceed the state's RPS, because we're confident this direction will best benefit the Kauai community."

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