

Honolulu Board of Water Supply
News Release



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**BOARD OF WATER SUPPLY LAUNCHES
ENERGY SAVINGS PERFORMANCE CONTRACT**

HONOLULU – The Honolulu Board of Water Supply (BWS) has entered into a \$33 million Energy Savings Performance Contract (ESPC) with NORESKO LLC that allows the water agency to implement comprehensive energy efficiency, renewable energy generation, and operational improvements which guarantee enough energy savings over the next 20 years to pay for the contract.

The BWS is the first county water utility in Hawaii to execute an ESPC, an alternative project delivery approach that allows a government agency to enter into a long-term partnership with an energy service company (ESCO) to facilitate and accelerate energy conservation measures, or ECMs, to generate enough cost savings to cover project costs over the term of the contract. ECMs are determined and designed by the ESCO, after it conducts a comprehensive energy audit on the agency, to meet the agency’s specific energy savings needs.

“The ESPC will help the BWS to proactively address rising operating costs by implementing ECMs faster to achieve energy efficiencies and develop renewable energy to directly support the State of Hawaii’s goal to achieve 100 percent renewable energy by 2045,” said BWS Manager and Chief Engineer Ernest Lau. “Also, under the terms of this contract, NORESKO guarantees the BWS energy savings from the installation of recommended ECMs. If the savings are not realized, then NORESKO must reimburse the difference to the BWS.”

ECMs to be installed as part of the contract that will reduce the BWS’s annual electrical usage by about 8 million kilowatt hours (kWh), or 9 percent of the BWS’s total purchased electricity, include:

- Photovoltaic systems at 38 sites with facility upgrades and renovations (5,265,850 kWh savings);
- Energy efficient pumps in four major production wells (1,348,979 kWh savings);
- Energy efficient lighting at BWS facilities (717,027 kWh savings); and
- Energy efficient air conditioning upgrades and controls (616,518 kWh savings).

(More)

The \$33 million project cost is being financed by a loan from the Drinking Water State Revolving Fund, managed by the State of Hawaii Department of Health. The loan will be paid back by the approximately \$3.3 million annual savings in energy costs over 17 years after the implementation of various ECMs. Over a 20-year period, the BWS intends to generate more than \$56 million in savings through avoided electrical costs. Any cost savings from this project will be reinvested in additional energy-saving projects and will not affect water rates.

Additionally the implementation of the ESPC puts the BWS in alignment with Bill 64, signed by Honolulu Mayor Kirk Caldwell in November 2015. Bill 64 facilitates the construction, installation, and operation of solar photovoltaic systems at City and County of Honolulu buildings.

Throughout the duration of this project the BWS will continue to look at renewable energy opportunities to further manage energy use and control operating costs. The State Department of Health, State Department of Business, Economic Development and Tourism and the Hawaiian Electric Company provided valuable assistance in the development of this project.

About the Board of Water Supply

The BWS, a semi-autonomous agency of the City and County of Honolulu, manages Oahu's municipal water resources and distribution system. As the largest water utility in the State, the BWS serves approximately one million customers on Oahu. The BWS embraces its mission to provide a safe, reliable and affordable water supply, now and into the future. The BWS works to accomplish its mission and strategic objectives while striving to maintain the public trust to protect the quality and sustainability of our precious water resources. *Uwē ka lani, ola ka honua* – “When the heavens weep, the earth lives.” For more information, visit www.boardofwatersupply.com.

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