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ULUPONO INITIATIVE INVESTS \$1 MILLION IN HONOLULU SEAWATER AIR CONDITIONING

Impact investing firm invests in major energy-efficiency project

HONOLULU – Aug. 5, 2013 – Ulupono Initiative announced today that it has invested \$1 million in Honolulu Seawater Air Conditioning, LLC (HSWAC) for the development of the company’s seawater air conditioning district cooling system.

“This investment will help HSWAC begin construction in 2014 of one of the largest energy-efficiency projects in Hawai’i,” said Murray Clay, managing partner of Ulupono Initiative. “The system promises significant savings in energy that will help move us closer to our goal of more renewable energy use for the state.”

When it begins operation, HSWAC’s district cooling system will eliminate the need for 178,000 barrels of oil per year by saving enough electricity to power more than 10,000 homes. The system will provide an alternative to using imported fossil fuels to cool downtown Honolulu, which will decrease the island’s environmental footprint and the state’s oil dependency.

“We are extremely pleased to be working with Ulupono on this project,” said Eric Masutomi, president and CEO of Honolulu Seawater Air Conditioning. “Not only do the missions of both organizations - to create a more sustainable future for Hawai’i - align perfectly, Ulupono’s investment represents a strong vote of confidence in the potential of HSWAC’s deep seawater cooling technology to greatly improve the quality of life in our island community.”

“It’s fully proven at multiple locations in Europe and the United States, so there is zero technological risk,” said Clay. “And, the system also saves significant amounts of fresh water, when compared to conventional cooling.”

The system will cool water to provide air conditioning to buildings in downtown Honolulu by pumping deep ocean water through a pipeline more than four miles offshore to a cooling station in Kaka’ako.

About 70 percent of a building owner's air conditioning cost typically goes toward operating cooling systems that include on-site chillers, condenser pumps and cooling towers. Operating costs prove volatile, as they are affected by increasing costs of electricity, water, wastewater and other infrastructure expenses.

District cooling creates a way to convert large blocks of buildings to energy-efficiency measures rather than one at a time. This project is expected to create the opportunity for expansion of district cooling projects across the state.

Additional project partners include the Capital Cooling Group and Renewable Energy Innovations (REI). Capital Cooling, the leading European deep-water cooling expert, is serving as a management consultant as well as a \$500,000 co-investor with Ulupono on this Hawai'i project. Capital Cooling was also involved in the 80,000-ton deepwater air conditioning project in Stockholm, and REI, through its affiliated company Ever-Green Energy, owns and operates district cooling and heating systems in Minnesota. Other team members are Hawai'i-based Makai Ocean Engineering, involved in the 20,000-ton deepwater air conditioning project built in 2000 in Ithaca, N.Y.; R.M. Towill Corporation; Yogi Kwong Engineers; and InSynergy Engineering. All three are well-known Hawai'i design companies in the fields of civil, geotechnical and mechanical engineering.

The HSWAC system annually reduces potable water consumption for air conditioning by more than 260 million gallons. Each year it also reduces sewage discharge by up to 84 million gallons, and avoids emissions of 84,000 tons of carbon dioxide. Combined, this is the equivalent of removing 15,000 cars from the road per year. The project is anticipated to generate more than \$200 million in construction spending in Honolulu and create more than 900 construction jobs.

The team estimates the new system will reduce electricity usage by 77,000 MWh per year, which is the equivalent of a 30-megawatt wind farm; or a 53-megawatt solar farm, more than all of the utility scale photovoltaic systems currently operating in Hawai'i. Customers who have already signed on include Hawaiian Electric Co., Finance Factors, First Hawaiian Center, and One Waterfront Towers.

About Ulupono Initiative

Ulupono Initiative is a Hawai'i-focused impact investing firm that uses for-profit and non-profit investments to improve the quality of life for island residents in three areas – locally produced food; clean, renewable energy; and waste reduction. To learn more, please visit www.ulupono.com.

About Honolulu Seawater Air Conditioning, LLC

Honolulu Seawater Air Conditioning, LLC, is a privately owned company currently developing a seawater air conditioning system for Honolulu. Deep ocean water will be used to deliver renewable cooling to commercial and residential properties in the downtown Honolulu area. For more information, visit www.honoluluswac.com.

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