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# Honolulu Seawater Air Conditioning project remains viable, expects to break ground next year

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It has been almost 15 years in the making, but the \$250 million Honolulu Seawater Air Conditioning project is on track to break ground in late 2019.

The renewable energy district cooling system, which will use ocean water from a depth of more 1,700 feet to cool buildings in Downtown Honolulu, recently finalized an agreement with the state of Hawaii that covers eight buildings, including the state Capitol.

“We view the recent agreement with the state as a catalyst for bringing on other compound customers that have been withholding final decision until they hear what the state is going to do,” HSWAC president and CEO Eric Masutomi told Pacific Business News in a recent interview.

Masutomi, who was named president and CEO in 2012, added that HSWAC is in discussions with a handful of other properties under state and county control. While he declined to provide the absolute number of customers that have signed up for system, Masutomi said the project is closing in on “two-thirds of its committed supply secured.” Reaching the two-thirds threshold would enable the project to proceed to the financing stage.

“Assuming we achieve our threshold by the end of the year, you are looking at a six-to-eight-month financing process, after which we could actually break ground,” Masutomi said. It is an ambitious timeline, given that it took HSWAC six years to acquire the necessary permits for the project.



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The construction itself is set to take another 20-22 months and will involve significant street work, including open trenching along some major downtown corridors. However, in order to minimize traffic interruptions, HSWAC will use directional boring along major intersections and pursue night work whenever possible, Masutomi said.

On its website, the project currently lists a total of 11 customers, including Hawaiian Electric Co., First Hawaiian Bank, the University of Hawaii at Manoa's John A. Burns School of Medicine and The Queen's Medical Center. The fact that despite all the delays not a single customer dropped out of project is a testament to the "confidence of our customer base and their support of the project," Masutomi said.

"The list that we have remains solid. We are in constant communications with them, so they are well aware of where we are in the process," he said.

Once operational, the cooling system is expected to decrease Hawaii's dependency on oil by conserving up to 178,000 barrels of oil per year. In addition, the project will reduce electricity usage by an estimated 77,000 megawatt-hours annually, which is the equivalent of a 40-megawatt solar facility, according to Ulupono Initiative.

The Honolulu-based investment firm, which was founded by eBay Inc. founder Pierre Omidyar, has invested more than \$6 million in the project. Ulupono and Swedish company Capital Cooling took ownership of HSWAC in 2014.

Oahu-based Makai Ocean Engineering is the lead engineering firm on the project. The company has already designed the deep-water cooling systems in Toronto and Cornell University in Ithaca, New York.

"This project has been in the public eye for some time now and hasn't reached fruition, there's some perception out there that the project is not going to happen," Masutomi said. "I want to shut that perception down. We are viable, we are operating and we are looking forward to bringing this project forward."

**HJ Mai**

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