

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE STATE OF HAWAI`I
AND
THE U.S. DEPARTMENT OF ENERGY

I. Background

The State of Hawai`i recognizes that reducing its dependence on imported oil is a primary pathway towards achieving energy independence and a cleaner environment. Hawai`i is now embarking on the next phase of its clean energy future to drive economic vitality and growth through building the innovation sector and providing sustaining opportunities for job growth.

By taking action to transition from oil imports to use of local, indigenous renewable resources and efficient technologies, the State of Hawai`i and the U.S. Department of Energy are developing a national model for job creation, industrial transformation, environmental compliance, and technological innovation.

In 2008, the U.S. Department of Energy and the State of Hawai`i (collectively, the “Parties”) entered into a Memorandum of Understanding (hereinafter referred to as “2008 MOU”) to support the State’s goal of reaching 70 percent of its energy needs through clean and renewable resources and energy efficiency measures. In part because of the effective collaboration and initial success stemming from the 2008 MOU, the State of Hawai`i acknowledges that the initial goals and targets shall not be considered a limitation for future progress in displacing fossil fuel use and is firmly committed to going beyond. The State of Hawai`i also recognizes the value of leveraging resources, knowledge and experience with the U.S. Department of Energy in a shared commitment for clean energy development, energy efficient deployment, and promoting opportunities to pursue innovative solutions for Hawai`i and beyond.

II. Purpose

This current Memorandum of Understanding (“2014 MOU”) builds upon the foundation laid by the 2008 MOU by realigning and recommitting the partnership between the Parties towards the State’s long-term mission to be a national and world leader in clean energy policy, technological innovation, and alliance building. This includes jointly pursuing innovative policies, technologies, and deployment strategies relating to, without limitation: energy efficiency; renewable energy; alternate fuels; electric transmission and distribution systems; energy storage; alternative fuel vehicles; and other forms of clean transportation. This Partnership is intended to build upon and complement the ongoing work of other public and private organizations working towards a clean energy economy.

The successful execution of the purpose of the 2014 MOU will position Hawai'i as both a national and international test bed and provide replicable models for achieving similar results throughout the U.S. and other island energy systems across the globe.

III. Roles of the Parties

The Parties hereby agree that they will undertake, subject to Section IV and to the extent permitted by applicable law, the following activities under the 2014 MOU:

A. Parties Collectively

The Parties will endeavor to:

- 1) Agree on near- and medium-term opportunities for collaboration to further the State's goal of becoming a leading innovator in the technology, policy and regulatory arenas required to go beyond Hawai'i's clean energy mandates and eliminate the State's reliance on imported oil;
- 2) In support of one another, and in concert when appropriate, act to realize the benefits of the opportunities identified in (A)(1);
- 3) Designate Points of Contact ("POCs") for undertaking activities in concert and for consultation regarding activities relevant to the 2014 MOU undertaken individually; and
- 4) Support and promote communications and awareness campaigns to inform consumers, businesses, and major stakeholders both in Hawai'i and nationally of the goals and benefits of this Partnership.

B. The U.S. Department of Energy

The U.S. Department of Energy will endeavor to:

- 1) Identify available resources that could further the purpose of the 2014 MOU, and work with the State to make appropriate use of those resources;
- 2) Provide technical assistance relevant to achieving the purpose of the 2014 MOU;
- 3) At the request of the State of Hawai'i, assist in convening the national stakeholders that may help achieve the purpose of the 2014 MOU, realize the benefits of opportunities identified in (A)(1), and successfully complete the actions contemplated in (A)(2);
- 4) Ensure that the POCs identified under (A)(3), supra, include effective communication relating to 2014 MOU activities in performance plans or other relevant planning structure; and

- 5) Designate a lead for each opportunity identified under (A)(1), supra, responsible for working with the POCs to coordinate activities under (A)(2).

C. The State of Hawai'i

The State of Hawai'i will endeavor to:

- 1) Develop the technical, workforce and academic tools necessary to realize the purpose of the 2014 MOU;
- 2) Identify, coordinate and maintain collaborative working relationships with key local stakeholders for implementation of the 2014 MOU;
- 3) Identify and lead processes required to fulfill the 2014 MOU, including drafting and implementing state and local policies necessary to demonstrate and foster the leadership contemplated by the 2014 MOU;
- 4) Designate a lead for each opportunity identified under (A)(1), supra, responsible for working with the POCs to coordinate activities under (A)(2); and
- 5) Involve the public, academic community, private sector, and state and local officials in the following:
 - a. Shaping and executing the projects, programs and policies under the 2014 MOU;
 - b. Realizing the benefits of opportunities identified in (A)(1); and
 - c. Successfully completing the actions contemplated in (A)(2).

IV. Miscellaneous

A. Termination

- 1) As a document whose sole and primary purpose is the internal management of the Parties, the 2014 MOU may be terminated through written notice by either of the Parties at any time; and
- 2) Nothing in the 2014 MOU can in any way restrict either of the Parties from participating in any activity with any individual or organization, public or private.

B. Fiscal Disclaimers

The 2014 MOU shall not:

- 1) Be construed to impact the procurement or financial activities of the Parties;
- 2) Be construed to be either fiscal or funds obligation documents; nor

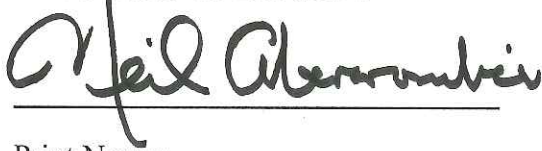
- 3) Be construed to authorize or intend to obligate the Parties to receive or transfer anything of value, including, without limitation, to expend, exchange, or reimburse funds, services, or supplies.

C. Cause of Action Disclaimers

The 2014 MOU shall not:

- 1) Create a legal obligation of the Parties; nor
- 2) Create a private right or cause of action for or by any person or entity.

THE STATE OF HAWAII

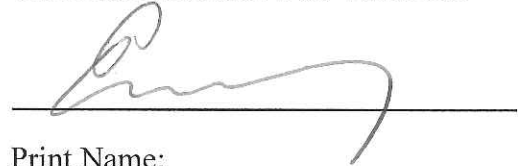


Print Name:
Governor Neil Abercrombie

Title:
Governor, State of Hawai'i

Date: 9.15.14

U.S. DEPARTMENT OF ENERGY



Print Name:
Dr. Ernest Moniz

Title:
Secretary, U.S. Department of Energy

Date: SEP 15 2014