

OIA ENERGY INITIATIVE FOR THE PACIFIC TERRITORIES
Briefing Paper for the Interagency Group on Insular Areas
March 1, 2011

Background:

High energy prices are currently the greatest threat to all of the economies of the U.S. territories. The high cost of electricity is hurting businesses and consumers alike. Substantial portions of local government budgets are being siphoned off for fuel to run their electric power plants.

The Administration demonstrated its commitment to a clean energy economy in its allocation of \$31,791,000 for Guam and \$28,963,000 for American Samoa under the American Recovery and Reinvestment Act (ARRA). This stimulus funding will aid in alleviating energy costs, creating new jobs and reducing energy usage.

The Insular Areas have no conventional sources of energy and import 100% of their energy, mainly petroleum.

- The cost of energy in the Insular Areas is higher than on the U.S. Mainland, making renewable energy an attractive option.
- Islands have abundant renewable resources (solar, wind, wave and OTEC) and small populations.
- Islands are vulnerable to frequent disasters including typhoons and tidal waves.
- Because the territories are small, economies of scale can be an obstacle to the cost effectiveness of renewable energy.

Key Points:

OIA has engaged the National Renewable Energy Laboratory (NREL) through an Inter-Agency Agreement (IAA) with the U.S. Department of Energy to provide guidance to local communities in the production of long-term strategic energy plans for each Pacific island territory.

- Initial Agreement with NREL was signed July 10, 2010 for an estimated year long project (through fiscal year 2011).
- Executive Orders establishing Energy Steering Committees were issued by each Pacific territorial governor in August, 2010.
- Charters describing the Energy Steering Committees were issued by each island shortly thereafter.
- Five member NREL teams conducted energy assessments in each of the three U.S. Pacific territories:
 - Guam the week of October 11, 2010,
 - American Samoa the week of November 8, 2010, and
 - Commonwealth of the Northern Mariana Islands (CNMI) the week of December 6, 2010.

- The first Steering Committee Executive Leadership Meeting was held in Guam on September 8, 2010 at the University of Guam. Guam's Center for Island Sustainability was determined to be the official home for the effort.
- On October 12, 2010, OIA's Assistant Secretary Babauta, Governor Camacho and UOG President Underwood held a press conference in the Governor's Conference Room to formally kick off Guam's energy planning effort and to introduce the five member team from NREL. Two television stations and three print media were in attendance and reported on the initiative.
- The first full Steering Committee meeting for Guam was held October 13, 2010. Representatives from the public and private sector participated, including the President of the Guam Chamber of Commerce and the President of the Guam Hotel and Restaurant Association. Committee chairmen were nominated for five sub-committees to address outreach and education, policy, technology and financing.
- The University of Guam has been leading regular Executive Leadership Committee meetings in the President's conference room. The Energy Committee is tasked with providing essential guidance in the production of Guam's Energy Plan to ensure community buy-in and continuity.
- American Samoa's first Steering Committee Leadership Meeting was held November 12, 2010. Assistant Secretary Babauta participated in a press conference and official kick-off of the Energy Committee's work that week.
- In the Commonwealth of the Northern Marianas, Assistant Secretary Babauta and Governor Fitial participated in the official kick-off of the NREL energy assessments and press conference on December 9, 2010. Governor Fitial identified the agencies and business organizations that will be represented in his Energy Steering Committee and identified his special assistant for administration as the interim chairperson. The first meeting was held the afternoon of December 9. As a first matter of business the members considered two different Charters and decided to postpone further discussion until after the holidays.
- A draft of the Guam Energy Assessment is being circulated and is expected to be finalized by April 9. The Energy Assessments for American Samoa and the Commonwealth of the Northern Mariana Islands should follow by the middle of May.
- OIA's 2012 budget request contains \$3 million for the implementation of some of the sustainable energy strategies identified in these energy plans as part of its funding for "Empowering Insular Communities". If funded, the distribution of the \$3 million will be competitive.

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