



June 30, 2009

Darcy L. Endo-Omoto
Vice President
Government & Community Affairs

The Honorable Chairman and Members of
the Hawaii Public Utilities Commission
465 South King Street
Kekuanaoa Building, 1st Floor
Honolulu, Hawaii 96813

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PUBLIC UTILITIES
COMMISSION

Dear Commissioners:

Subject: Docket No. 2007-0008
Renewable Portfolio Standards Law Examination
2008 Status Report

In accordance with Decision and Order No. 23912 and the Framework for Renewable Portfolio Standards, issued December 20, 2007, attached is the Renewable Portfolio Standard Status Report for the year ended December 31, 2008 for Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited.

Sincerely,

Attachment

cc: Division of Consumer Advocacy
R. J. Hee/T. Blume
H. Curtis
W. S. Bollmeier II

2008 Renewable Portfolio Standard Status Report

**Hawaiian Electric Company, Inc.
Hawaii Electric Light Company, Inc.
Maui Electric Company, Limited**

For the Year Ended December 31, 2008

This report was prepared pursuant to the Framework for Renewable Portfolio Standards issued by the Hawaii Public Utilities Commission on December 19, 2008 (Order Relating to RPS Penalties, Docket No. 2007-0008).

Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company ("the HECO utilities"), are pleased to have achieved a consolidated Renewable Portfolio Standard (RPS) of 18.0 percent in 2008. This is an increase from the 16.1 percent achieved in 2007 and is primarily the result of the additional demand-side management (DSM) implemented in 2008.

This report shows that new DSM program participants in 2008 contributed approximately 204,676 megawatt hours of additional electrical energy savings. Still, the majority of the energy savings in 2008 came from participants in the utility's DSM programs from previous years that continue to save electricity. This highlights the importance of long-term support for DSM to achieve significant energy conservation benefits.

Barring unforeseen decreases in existing renewable energy projects or DSM implementation, or increases in electricity sales, the HECO utilities expect to be able to meet the 2010 RPS percentage of 10% required by Hawaii law. However, achieving higher RPS percentages beyond 2010 will have its challenges, even with aggressive DSM programs. House Bill No. 1464, which was signed into law on June 25, 2009 and becomes effective on July 1, 2009, will not allow the electrical energy savings brought about by the use of renewable energy displacement or energy efficiency to be counted towards the RPS from January 1, 2015; increased the 2020 RPS target to 25%; and established a 40% RPS target for 2030. Without the electrical energy savings included, the 2008 RPS for the HECO utilities is 9.3% compared to the 18.0% stated above.

Integrating large amounts of intermittent renewable generation while preserving stable electric grids and converting existing fossil fuel generating units to biofuels will play major roles in meeting the 2015 RPS requirement. Siting renewable facilities continues to be a challenge in many communities and the need for federal and state tax credits and incentives remains important in the development of renewable projects. Approvals and implementation of power purchase agreements for renewable energy projects will also play a key role. It will take a concerted effort by all stakeholders to meet the State's RPS requirements and achieve a clean energy future. The HECO utilities look forward to working together to help Hawaii achieve these important objectives.



2008 Renewable Portfolio Standard Status Report

Hawaiian Electric Company, Inc. ("HECO")
 Hawaii Electric Light Company, Inc. ("HELCO")
 Maui Electric Company, Ltd. ("MECO")

For the Year Ended December 31, 2008
(In Net Megawatt Hours)

	HECO	HELCO	MECO	TOTAL	Percent of RPS
Electrical Energy Generated Using Renewable Energy Sources					
Biomass (including waste-to-energy)	359,011		53,587	412,599	
Geothermal		234,334		234,334	
Hydro		36,053	5,910	41,963	
Wind		128,306	108,987	237,293	
Biofuels			1,539	1,539	
Subtotal	359,011	398,693	170,024	927,728	51.9%
Electrical Energy Savings Using Renewable Displacement Technologies					
Photovoltaic Systems ¹	4,003	4,793	1,906	10,701	
Solar Water Heating ²	75,988	13,862	27,429	117,279	
Subtotal	79,991	18,654	29,335	127,980	7.2%
Electrical Energy Savings Using Energy Efficiency Technologies³					
Pre-2008 Participants	414,541	43,786	67,889	526,217	
2008 Participants	189,466	3,264	11,945	204,676	
Subtotal	604,007	47,051	79,835	730,892	40.9%
TOTAL	1,043,010	464,398	279,193	1,786,600	100.0%
TOTAL SALES	7,555,962	1,141,030	1,239,228	9,936,220	
RPS PERCENTAGE	13.8%	40.7%	22.5%	18.0%	

¹ Savings from photovoltaic systems are based on known system installations for 2008 including, Net Energy Metering ("NEM") installations, non-NEM systems, and Sun Power for Schools installations. Recorded generation data was used when available. For systems where recorded data was not available, estimates were made based on reasonable performance assumptions for typical photovoltaic systems.

² Savings from solar water heating systems were based upon the number of rebates paid through the program and an estimated savings per system based on the periodic evaluation of the program.

³ Savings from the energy efficiency technologies are based upon the annualized system energy savings for all participants in the utility's demand-side management ("DSM") programs excluding solar water heating, which is listed under the Renewable Displacement Technologies. The energy savings from the utility DSM programs are reported to the Public Utilities Commission ("PUC") and the Consumer Advocate and are verified by an independent consultant whose evaluation reports are also filed with the PUC and the Consumer Advocate.

