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February 3, 2005

William A. Bonnet
Vice President
Government and 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: HECO, HELCO and MECO
Net Energy Metering Status Report

HECO, HELCO, and MECO respectfully submits its 2004 Net Energy Metering Status Report, which provides the total number of installations and the total rated generating capacity of net metered customer facilities in each of its service territories.

If you have any questions on this matter, Please call Patsy Nanbu at 543-4702.

Sincerely,

Attachment

cc: Division of Consumer Advocacy

Net Energy Metering Status Report

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

December 31, 2004

Sections 269-101 to 269-111, Hawaii Revised Statutes, as amended, requires net energy metering (NEM) be available to eligible customer-generators with a capacity of not more than 50 kilowatts until the total rated generating capacity of eligible customers equals 0.5 percent of the electric utility's system peak demand. Systems must meet all applicable safety and performance standards and systems 10 kilowatts or less are exempt from additional requirements to install additional controls, perform or pay for additional tests or purchase additional liability insurance. Hawaiian Electric Company, Inc. (HECO), Hawaii Electric Light Company, Inc. (HELCO) and Maui Electric Company, Limited (MECO), were among the supporters of this legislation.

The NEM law states that eligible customers who own and operate a solar, wind turbine, biomass, or hydroelectric energy generating facility, or a hybrid system consisting of two or more of these facilities, with a capacity of not more than 50 kilowatts, shall be credited at the retail rate (of the rate class the customer is normally assigned to) for electrical energy generated by the eligible customer and fed back to the electric grid. Over a monthly billing period, the difference (i.e., net) between the customer-generated electrical energy and the electrical energy supplied through the electric grid is determined. In essence, customers are able to "bank" the excess renewable energy they generate and feed into HECO's grid for later use during the monthly period. Excess kilowatt-hours generated during this period are retained by the utility unless the customer enters into a purchase agreement with the electric utility.

HECO, HELCO, and MECO filed tariff sheets with the Hawaii Public Utilities Commission (PUC) when Sections 269-101 to 269-111 was initially enacted, and revised tariffs sheets to modify the net metering tariff and corresponding changes to the interconnection tariff to conform with the amendments enacted in 2004, were filed with the PUC on January 18, 2005 to become effective on February 18, 2005. Separate NEM agreements for eligible systems that are either (1) less than or equal to 10 kilowatts or (2) greater than 10 kilowatts but less than or equal to 50 kilowatts were filed as part of the revised tariff sheets.

Net Energy Metering Status Report

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

December 31, 2004

The following table provides the status of NEM in the HECO, HELCO, and MECO service territories as of December 31, 2004.

NEM Status as of 12/31/04

	Information packets sent	No. of Installations ¹	Installed kW ²	0.5% of System Peak ³ , kW
HECO				
2001	151	1	3.60	5,955
2002	12	1	2.10	6,020
2003	49	8	11.74	6,210
2004	15	3	7.90	6,405
Total (HECO)	227	13	25.34	
HELCO				
2001	122	2	10.20	871
2002	25	3	4.73	890
2003	13	6	28.00	934
2004	12	4	8.84	972
Total (HELCO)	172	15	51.77	
MECO				
2001	49	2	8.20	993
2002 ⁴	19	5	8.80	1,006
2003 ⁴	24	3	13.00	1,047
2004	29	8	21.60	1,091
Total (MECO)	121	18	51.60	
TOTAL	520	46	128.71	

¹ Completed systems (i.e., NEM Agreements completed).

² Installed kW reflects rated generating capacity installed in the year noted. Includes system expansions.

³ Based on Net System Peak for HECO, HELCO, and MECO-Maui and Gross System Peak for MECO-Molokai and MECO-Lanai.

⁴ Installed kW for 2002 and 2003 have been revised from previous reports to reflect the convention of reporting the installed kW as rated capacity of the smaller (i.e., limiting) system component.