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William A. Bonnet  
Vice President  
Government & Community Affairs

January 11, 2007

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

PUBLIC UTILITIES  
COMMISSION

2007 JAN 11 P 3:22

FILED

Dear Commissioners:

Subject: Hawaiian Electric Company, Inc.,  
Hawaii Electric Light Company, Inc.  
Maui Electric Company, Limited  
Net Energy Metering Status Report

Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited respectfully submit their 2006 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 their service territories.

If you have any questions on this matter, please call Dean Matsuura at 543-4622.

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, 2006**

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 (provided that the Commission may increase by rule or order the maximum allowable capacity and/or the total rated generating capacity). 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) (collectively, "the Utilities") 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 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-generator 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 the Utilities' grid for later use.

The Utilities are required to do a twelve-month reconciliation of the net electricity provided by the utility with the electricity generated by the customer-generator and any unused monetary credits from the customer-generator carried over from prior months since the last twelve-month reconciliation period, and provide in each regular bill information on net electricity production and consumption, monetary balances, and credits. Excess electricity generated by the customer-generator in each billing period is carried over to the next month as a monetary credit within each twelve-month period.

On September 21, 2006, the Public Utilities Commission of the State of Hawaii (Commission) on its own motion issued Order No. 22884 under Docket No. 2006-0084 to amend the Stipulated Procedural Order (filed on August 14, 2006) to include whether the Commission should adopt, modify, or decline to adopt, in whole or in part, the NEM standard articulated in PURPA as amended by the Energy Policy Act of 2005.

The following table provides the status of NEM in the HECO, HELCO, and MECO service territories as of December 31, 2006.

NEM Status as of 12/31/06

## Net Energy Metering Status Report

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

December 31, 2006

	Information packets sent	No. of Installations <sup>1</sup>	Installed kW <sup>2</sup>	0.5% of System Peak <sup>3</sup> , kW
<b>HECO</b>				
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
2005	5	0	0	6,150
2006	23	10	71.06	6,330
Total (HECO)	255	23	96.40	
<b>HELCO</b>				
2001	122	2	10.20	871
2002	25	3	4.73	890
2003	13	6	28.00	934
2004	12	4	8.84	972
2005	17	10	58.27	985
2006	12	35	298.49	1,007
Total (HELCO)	201	60	408.53	
<b>MECO</b>				
2001	49	2	8.20	993
2002 <sup>4</sup>	19	5	8.80	1,006
2003 <sup>4</sup>	24	3	13.00	1,047
2004	29	8	21.60	1,091
2005	22	16	92.17	1,068
2006	49	50	231.69	1,091
Total (MECO)	192	84	375.46	
<b>TOTAL</b>	<b>648</b>	<b>167</b>	<b>880.39</b>	

<sup>1</sup> Completed systems (i.e., NEM Agreements completed).

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

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

<sup>4</sup> 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.