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January 10, 2008

William A. Bonnet
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
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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 2007 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, 2007

Sections 269-101 to 269-111, Hawaii Revised Statutes, as amended, require net energy metering (NEM) to 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) (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, 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-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 April 10, 2006, the Public Utilities Commission of the State of Hawaii (Commission) issued Order No. 22380 in Docket No. 2006-0084, opening an investigative proceeding to address whether the Commission should increase: (1) the maximum capacity of eligible customer-generators to more than 50 kilowatts; and (2) the total rated generating capacity produced by eligible customer-generators to an amount above 0.5 percent of an electric utility's system peak demand.

On September 21, 2006, the Commission issued Order No. 22884 in 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.

Net Energy Metering Status Report

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

December 31, 2007

On September 17, 2007, the Utilities filed with the Commission a stipulated agreement reached by the parties that:

- Increases the maximum size of the eligible customer-generator that can qualify for a NEM agreement from 50 kW to 100 kW;
- Increases the total rated generating capacity produced by eligible customer-generators from 0.5% to 1.0% of the utility's system peak demand;
- Reserves 40%, 50%, and 50% of the total rated generating capacity produced by eligible customer-generators for HECO, HELCO, and MECO, respectively, for residential and smaller commercial NEM customers (system sizes of 10 kW or less);
- Utilizes the Integrated Resource Planning (IRP) process to evaluate impacts to the Utilities' systems and determine further adjustments to the NEM system size and cap limits (limits re-examined on an annual basis); and
- Recommends that the Commission not adopt or modify the standard for NEM as articulated in the Public Utility Regulatory Policies Act of 1978 (PURPA) as amended by the Energy Policy Act of 2005.

A Commission decision on the above is pending.

The following table provides the status of NEM in the HECO, HELCO, and MECO service territories as of December 31, 2007.

Net Energy Metering Status Report

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

December 31, 2007

NEM Status as of 12/31/07

	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
2005	5	0	0	6,150
2006	23	10	74.28 ⁴	6,330
2007	67	73	387.29	6,080
Total (HECO)	322	96	486.91	
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
2005	17	10	58.27	985
2006	12	35	299.57 ⁴	1,007
2007	24	35	263.15	1,017
Total (HELCO)	225	95	672.76	
MECO				
2001	49	2	8.20	993
2002	19	5	8.80	1,006
2003	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
2007	13	64	358.28	1,081
Total (MECO)	205	148	733.74	
TOTAL	752	339	1,893.4	

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 Revised.