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FOR IMMEDIATE RELEASE

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PUC DENIES HECO'S KAHE PV COMPETITIVE BID WAIVER REQUEST

Honolulu—The Hawaii Public Utilities Commission (PUC) yesterday denied the Hawaiian Electric Company's (HECO) request for a waiver from the competitive bidding (CB) framework for its 15 megawatt Kahe Utility-Scale Photovoltaic Project (Kahe PV Project), thereby rendering the decision to approve the project moot in Decision and Order No. 32437 in Docket No. 2013-0360.

After careful and detailed scrutiny, the PUC denied the waiver request for the Kahe PV Project because HECO failed to demonstrate that the bidding process utilized would result in "more cost-effective or better performing generation resources." The PUC noted that HECO chose to unilaterally develop, own and operate a utility-scale solar PV project, instead of seeking bids from independent power producers as contemplated by the CB framework. Further, the PUC found that HECO failed to prove that the Kahe PV Project will result in a lower cost supply of electricity or is otherwise in the public interest.

Although HECO's Kahe PV Project CB waiver request was denied, the commission continues to support integration of additional cost-effective utility-scale PV and other renewable energy projects. The Commission previously approved other CB waiver requests in Docket Nos. 2013-0156 and 2013-0381 for projects being developed by independent power producers. The commission is also currently reviewing other CB waiver requests to ensure that if these waiver requests are granted that such power purchase agreements will result in the lowest possible electricity prices.

Approved in 2006, the CB Framework establishes a competitive solicitation process as the required mechanism for acquiring new generation resources in Hawaii. A waiver from the CB Framework may be granted upon a showing that it will result in a lower cost supply, provide more cost-effective and efficient generation, and is in the interest of the public.

A copy of the order is available on the PUC's online Document Management System at <http://dms.puc.hawaii.gov/dms/>

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