

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval of a Solar Energy)
Purchase Agreement with Hoku)
Solar, Inc., and to Include the)
Purchased Energy Costs in)
Hawaiian Electric Company, Inc.'s)
Energy Cost Adjustment Clause.)

DOCKET NO. 2007-0425

ORDER NO. 23973

Filed Jan. 17, 2008

At 2 o'clock P.M.

Karen Higashi

Chief Clerk of the Commission

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DIV. OF ECONOMIC REGULATORY
AFFAIRS
DEPARTMENT OF LAND
AND NATURAL RESOURCES
STATE OF HAWAII

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

for

Eleanor P. Luasasaga

BEFORE THE PUBLIC UTILITIES COMMISSION
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Hawaiian Electric Company, Inc.'s)
Energy Cost Adjustment Clause.)

Docket No. 2007-0425
Order No. 23973

ORDER

By this Order, the commission instructs HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), to submit a stipulated procedural order for the commission's review and consideration.¹ Alternatively, in the absence of a formal procedural order, the Parties shall, at a minimum, identify their agreed-upon deadlines for the Consumer Advocate and HECO to file their position and rebuttal statements, respectively, and notify the commission accordingly.

¹HECO and the Consumer Advocate are collectively referred to as the "Parties." The Consumer Advocate is an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules § 6-61-62(a).

I.

Background

By its Application filed on December 27, 2007, HECO requests the commission's approval of: (1) its Solar Energy Purchase Agreement, dated November 16, 2007 ("Agreement"), with Hoku Solar, Inc. ("Hoku Solar"), by May 13, 2008; and (2) other matters related to the Agreement.² As described by HECO, the Agreement governs the electric utility's purchase of energy from a Hoku Solar-owned photovoltaic system with generating capability of up to 300 kilowatts dc, located on HECO's Archer Substation.

II.

Procedural Schedule

HECO requests the commission's approval of the Agreement by May 13, 2008.³ Moreover, Section 4 of the Agreement

²Application; Verification; Exhibits 1 - 7; and Certificate of Service, filed on December 27, 2007 (collectively, "Application").

³With respect to the May 13, 2008 date, HECO explains:

Due to the high demand for PV panels worldwide, up to 6 months is needed to procure and install the System equipment following Commission approval of the [Agreement]. The in-service date for the project must be before December 31, 2008, the current expiration date of the 30% Federal renewable energy investment tax credit. Based on Congressional votes through December 13, 2007, the 30% Federal tax credit will not be extended beyond 2008. If the tax credit is not extended and the System is placed in service after this date, project economics would be significantly impacted. Commission approval of the [Agreement] is therefore desired not later than May 13, 2008 to meet the year end deadline.

provides that "[i]f [HECO] has not received the non-appealable PUC Approval Order within 210 days of the date of the last signature to this Agreement, then either [Hoku Solar] or [HECO] may terminate this Agreement by providing written notice of such termination delivered to the other prior to the Effective Date."⁴

Given these specified dates, the commission finds it prudent and feasible to instruct the Parties to submit a stipulated procedural order for the commission's review and consideration. Alternatively, in the absence of a formal procedural order, the Parties shall, at a minimum, identify their agreed-upon deadlines for the Consumer Advocate and HECO to file their position and rebuttal statements, respectively, and notify the commission accordingly.

Application, at 12 (emphasis in original); see also id., at 6-7 (the non-utility party is eligible to claim the thirty percent federal renewable energy investment tax credit in addition to the thirty-five percent state energy tax credit; the thirty percent federal tax credit is not available to regulated electric utilities).

⁴Agreement, Section 4, at 3. The date of the last signature to the Agreement is November 16, 2007. See Agreement, at 19. Hence, the 210-day date governing the issuance of a "non-appealable PUC Approval Order" is on or about Friday, June 13, 2008.

III.

Orders

THE COMMISSION ORDERS:

1. Within thirty days from the date of this Order, the Parties shall submit to the commission a stipulated procedural order, incorporating their agreed-upon schedule with respect to this proceeding.

2. If the Parties are unable to stipulate to such a schedule, each Party shall submit a proposed procedural order for the commission's consideration by the same date. Alternatively, in the absence of a formal procedural order, the Parties shall, at a minimum, identify their agreed-upon deadlines for the Consumer Advocate and HECO to file their position and rebuttal statements, respectively, and notify the commission accordingly.

DONE at Honolulu, Hawaii JAN 17 2008.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By Carlito P. Caliboso
Carlito P. Caliboso, Chairman

By John E. Cole
John E. Cole, Commissioner

APPROVED AS TO FORM:

Michael Azama
Michael Azama
Commission Counsel

By Leslie H. Kondo
Leslie H. Kondo, Commissioner

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23973 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Karen Higashi

DATED: JAN 17 2008