



Hawaiian Electric Company

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For more information at HECO contact:  
Darren Pai, 808-223-9932  
[darren.pai@heco.com](mailto:darren.pai@heco.com)

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**Solar installations continue uninterrupted on all islands**  
*Hawaiian Electric seeking prompt solutions to address  
reliability concerns on Maui and Hawaii Island*

(Honolulu, Hawaii): Hawaiian Electric Company today is reporting to the Hawaii Public Utilities Commission (PUC) on plans to address electricity reliability concerns for Maui and Hawaii islands while continuing without interruption to accept more renewable electricity from customer-sited photovoltaic (PV) systems.

"We are continuing to interconnect photovoltaic systems on all islands," said Robbie Alm, Hawaiian Electric executive vice president. "We have a commitment to meet Hawaii's 70% clean energy goal so it is also in our best interest to ensure we can install as much renewable energy from all sources including solar as quickly as possible.

"Our initial PUC filing discussed a pause in installations. We regret that it has caused unnecessary and unintended alarm among PV developers," Alm said. "It was not meant as an immediate stop. Instead, it was a signal that we need to move promptly to address these major issues to avoid tough choices. It is with this sense of urgency that we are committed to working promptly and openly with the solar developers and with other technical experts to address the potential reliability issues.

What we are saying to the solar industry is, 'Let's get to work and together let's solve this.'"

"It is ultimately the utilities' responsibility to make sure our power system is safe and reliable, while we move aggressively to a renewable energy future," Alm said. "We want all of our customers to embrace renewables and energy efficiency. That will only be possible if we maintain their expectations for reliable power. We are absolutely convinced that a clean energy future can be achieved without compromising reliability.

"We are at the vanguard moving toward the most aggressive clean energy requirements in the nation and it is to be expected that we will encounter some of these problems here before others do," Alm continued.

All Hawaii utilities have been recognized by the Solar Energy Power Association as among the top ten in the nation for installation of solar power per customer.

In the letter to the PUC, Hawaiian Electric:

- Clarifies that the utilities are not stopping any distributed generation interconnection requests on any island; in fact, the utilities continue to move aggressively to add more renewables on Oahu, Maui, and Hawaii Island.

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Hawaiian Electric Company, Inc. • PO BOX 2750 • Honolulu, Hawaii 96840-0001 • Phone: (808) 543-5670

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- Proposes a plan to quickly establish a Reliability Standards Working Group including national experts to find solutions to technical and commercial challenges identified.
- Calls for an intensive technical review to quickly evaluate concerns and, if validated, to identify technical and policy solutions to keep renewable energy efforts moving forward.
- Remains firmly committed to start the Feed-in Tariff program within the current year on Oahu where the PUC has set a FIT limit of 60 MW of new renewables over the first two years.

“We are determined to quickly resolve these issues,” Alm said. “They must be addressed and the great surge in PV installations on Maui and Hawaii Island, particularly since the high oil prices of late 2008, has brought this issue to a head now.”

### BACKGROUND

- On February 8, 2010 Hawaiian Electric responded to a request from the PUC that its utilities propose reliability standards as part of the development of a Feed-in Tariff. In its instructions, the PUC noted the utilities have an “obligation to ensure system reliability” and should not add projects that substantially jeopardize reliability.
- The utility is continuing to add renewable energy from both firm and intermittent renewable sources (at present, two wind farms in negotiations on Maui, two biomass projects and more energy from geothermal on Hawaii Island, a wind farm and biomass gasification plant on Oahu).
- The main technical concern is the total amount of intermittent energy – such as solar and wind – that is on the grid. If the levels are too high, it becomes more challenging to keep the island grid stable. A consultant’s study found that Oahu, with a larger grid, has room for considerably more renewable systems such as PV.

But both Maui and Hawaii Island are far ahead of any other island in Hawaii in the amount of intermittent renewables online. Maui’s intermittent distributed generation (mostly PV) is at 4.6 megawatts (MW) and growing. Including the 30 MW of existing wind power on Maui, the island has more than 17% intermittent renewables, when comparing total MW installed to peak demand.

On Hawaii Island intermittent small wind projects, hydro and PV systems total 6.8 MW. Including the 31 MW from wind farms, HELCO is already at 19% intermittent renewables. (and with firm renewable generation from geothermal is at more than 30% renewables).

- Electricity from small, diversely located variable PV installations are prone to tripping off line when there are disturbances on the grid. Hawaii Island has already experienced outages that would not have happened or would have impacted fewer customers without the high percentage of PV on the island grid.
- Beyond technical issues, there are concerns of fairness. As the amount of uncontrolled intermittent electricity coming into the grid increases, it becomes necessary to reduce the amount from other existing providers of intermittent electricity, such as wind farms on Maui and Hawaii islands. At times, because of the levels of demand for electricity, it is necessary to curtail output from intermittent wind farms because the utility must keep a certain amount of firm power on the grid to ensure stability as intermittent energy sources fluctuate.

**Note:** Kauai Island, where electricity is provided by Kauai Island Utility Cooperative, ranks high in PV per customer. However it is still far behind Maui and Hawaii Island in the total percentage of intermittent renewables installed on its system versus the island peak demand. There are no utility-scale wind farms on Kauai. This allows Kauai more flexibility when it comes to interconnecting more intermittent PV.