



Hawaiian Electric Company

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HECO to Pursue Photovoltaic Power at Utility's Ward Avenue Facility

New project would be second largest PV system on Oahu

(Honolulu, HI): Hawaiian Electric Company plans to seek proposals early in 2007 from solar-energy companies to build, own and operate a photovoltaic system on its Archer Substation located within HECO's Ward Avenue facility. Photovoltaic (PV) cells convert sunlight directly into electricity.

The solar-energy company selected would sell power from the PV installation to Hawaiian Electric and would be able to claim federal tax credits that the utility can not. HECO may also seek an option to buy the facility in about five years.

As currently envisioned, the PV system for the roof of Archer Substation would be rated at about 155 kilowatts of power, making it the second largest on Oahu after a U.S. Navy project on Ford Island. The Archer project, estimated to cost \$1.3 million, is planned to be in operation in late 2007.

"By taking this next step, HECO can get more direct experience with photovoltaics and support customers who want to add this electricity source. And this project may allow us to begin a green-pricing program for this and future renewable energy projects," said Dr. Karl Stahlkopf, HECO senior vice president for energy solutions and chief technology officer.

The green-pricing program being investigated by HECO would allow electricity customers to voluntarily support renewable energy development by substituting an increment of "green power" on their electric bills, gaining a long-term stabilized rate for the green energy delivered. Such programs are especially appealing to customers who cannot install their own renewable systems because of cost or site limitations.

"There is a tremendous upsurge in photovoltaic energy worldwide, including in Hawaii. HECO has had demonstration projects and continues to promote

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Sun Power for Schools, but this will be HECO's first utility-sited, larger-scale commercial photovoltaic project," Stahlkopf said.

"When HECO convened a public advisory group for our Integrated Resource Planning, we were asked to accelerate plans to add PV to the system. This is the first such project and we believe there will be more. Photovoltaics can meet a small but significant part of our renewable energy goals.

"With increased concern about Hawaii's energy prices and security, PV and other renewables can reduce Hawaii's dependence on imported oil and help protect our environment," he said.

Hawaii has recently seen an expansion in independent photovoltaic projects, particularly on the Neighbor Islands where energy prices are highest, making PV a more affordable alternative than before. A new federal tax credit makes it attractive for non-utilities to build, own and operate these facilities.

HECO, Maui Electric Company, and Hawaii Electric Light Company have encouraged these efforts, with advice and other support. The utilities' Net Energy Metering (NEM) program allows residents and small businesses that install renewable energy projects that meet certain size and safety guidelines to return excess electricity to the grid and receive full retail credit for the electricity they do use from the utility.

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