



William A. Bonnet  
Vice President  
Government & Community Affairs

September 2, 2008

The Honorable Chairman and Members of the  
Hawaii Public Utilities Commission  
465 South King Street, First Floor  
Honolulu, Hawaii 96813

Dear Commissioners:

Subject: Docket No. 03-0372  
Competitive Bidding for New Generation  
Honua Power Purchase Contract Term Sheet

Pursuant to Order No. 24170, filed April 30, 2008, in the subject proceeding, Hawaiian Electric Company, Inc. ("Hawaiian Electric") respectfully submits the Honua Power, LLC ("Honua") power purchase contract term sheet. (See Exhibit 1.) The Honua project involves an approximately 6.2 MW steam turbine generator facility to be located in Campbell Industrial Park. The energy will be delivered on an as-available basis.

The Honua term sheet is being submitted pursuant to Protective Order No. 22562, dated June 26, 2006.<sup>1</sup> The term sheet contains confidential information provided to Hawaiian Electric by Honua, and includes confidential negotiating positions, proposals, strategies, and/or technical and financial information. Power purchase proposals are generally treated as confidential between the non-utility generation ("NUG") developer and the utility until an executed contract is submitted to the Commission for approval. The NUG developer could be competitively disadvantaged if its confidential negotiating positions, proposals, strategies, and/or technical and financial information are disclosed to its competitors.

The Honua power purchase contract term sheet includes information on (a) the scope of the project (i.e., technology, capacity, and location), (b) the manner in which the energy will be delivered (i.e., as-available, scheduled), (c) the term of the agreement, projected in-service date,

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<sup>1</sup> The entire Honua term sheet is deemed to be confidential. A redacted version of the Honua term sheet is being submitted to the Commission and all of the parties. The unredacted version of the Honua term sheet is only being submitted to the Commission and the Consumer Advocate.

PUBLIC UTILITIES  
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and key milestones, including, but not limited to, proof of concept and any phases of the project, (d) performance standards, and (e) pricing.<sup>2</sup>

Sincerely,

  
 William A. Bonnet

Attachment

cc: Division of Consumer Advocacy  
T. Blume/M. Yamane  
K. Morihara, Esq./R. Ching, Esq.  
R. Hee  
W. Bollmeier II

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<sup>2</sup> See Ordering Paragraph 2 in Order No. 24170.



**HAWAIIAN ELECTRIC COMPANY, INC.'S AND HONUA POWER, LLC's  
TERM SHEET**

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