



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
Kahuku Wind 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 Kahuku Wind Power, LLC ("Kahuku Wind")¹ power purchase contract term sheet. (See Exhibit 1.) The Kahuku Wind Power project involves a 30 MW wind farm, consisting of twelve 2.5 MW wind turbine generators, to be located at Kahuku. The energy will be delivered on an as-available basis.

The Kahuku Wind term sheet is being submitted pursuant to Protective Order No. 22562, dated June 26, 2006.² The term sheet contains confidential information provided to Hawaiian Electric by Kahuku Wind, 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 Kahuku Wind 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



¹ The project developer was formerly known as North Shore Wind Power, LLC. Effective as of February 8, 2008, North Shore Wind Power, LLC officially changed its name to UPC Kahuku Wind Power, LLC. As of May 1, 2008, UPC Kahuku Wind Power, LLC officially changed its name to Kahuku Wind Power, LLC.

² The entire Kahuku Wind term sheet is deemed to be confidential. A redacted version of the Kahuku Wind term sheet is being submitted to the Commission and all of the parties. The unredacted version of the Kahuku Wind term sheet is only being submitted to the Commission and the Consumer Advocate.

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will be delivered (i.e., as-available, scheduled), (c) the term of the agreement, projected in-service date, and key milestones, including, but not limited to, proof of concept and any phases of the project, (d) performance standards, and (e) pricing.³

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



³ See Ordering Paragraph 2 in Order No. 24170.

KAHUKU WIND POWER TERM SHEET

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