



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

PUBLIC UTILITIES  
COMMISSION

2008 SEP -2 P 3: 10

FILED

Dear Commissioners:

Subject: Docket No. 03-0372  
Competitive Bidding for New Generation  
Sea Solar 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 Sea Solar Power, International, LLC ("SSPI") power purchase contract term sheet. (See Exhibit 1.) The Sea Solar Power project involves an approximately 100 MW ocean thermal energy conversion facility to be located off the coast of Oahu directly in front of HECO's Kahe Power Plant. The energy will be delivered on an as-available basis during Phase 1 and on a scheduled basis during Phase 2.

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

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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,

  
for 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. - Sea Solar Power International Term Sheet**

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