

1 Q. Could we obtain a grid map of the Kahuku/Laie north shore area showing the substations and their capacity for receiving 5 to 10 MW of additional power from a wind farm. What is the KV value of the lines serving the substations nearest BYUH and Kahuku? Are there plans for HECO to upgrade this line capacity in the near future?

A. The information requested is considered confidential. HECO will provide the information to the requesting party upon receipt of the fully executed Non-Disclosure Agreement developed specifically for this Request for Proposals.

2 Q. What are the latest lowest avoided energy costs for available wind energy? Would HECO negotiate a higher rate in the range of .55 cents per kW for solar? What range min/max would HECO negotiate for wind and for solar?

A. (a) HECO does not have a set avoided energy cost for generic wind projects. Avoided costs are a function of several variables, such as the size of the wind facility, the variability of its output, its ability to meet performance standards, its location on the system, which may affect the amount of losses on the system or which may drive the need for system infrastructure upgrades, projected fossil fuel prices, the in-service date of the wind facility, and the characteristics of the utility generating system at the time the wind facility is installed.

(b) HECO assumes the reference to “solar” means photovoltaics, or “PV.” If the PV project has a rating greater than 5 MW, then it would presumably be a participant in HECO’s current competitive bidding process. In such a case, the price will be as proposed by the bidder, and the bidder’s price will be evaluated against other bidders’ pricing, which may pertain technologies other than PV. In the evaluation, HECO also plans to consider portfolios of various resources. Pricing will be a factor in the selection of the resources in the portfolio.

If the PV project has a rating of 5 MW or lower, it would be exempt from the competitive bidding process. If HECO receives such a proposal, it would be evaluated outside of the RFP process. In such a case, the pricing to be negotiated will be a function of a number of variables, such as those cited in part (a) above. HECO is not in a position at this time to determine whether or not a price for PV that is 0.55 cents per kWh higher than for wind energy would be acceptable given the many variables that need to be considered.

(c) HECO does not have a range of minimum or maximum prices that it would negotiate for wind and PV. Please refer to the responses to parts (a) and (b) above.

- 3 Q. Are there any regulations against a private agricultural landowner building a wind turbine on his property and using all the power as available as supplemental to his power needs behind the meter?
- A. HECO is not able to respond to such a request and Bidders should obtain their own legal guidance on regulations.
- 4 Q. In this scenario what are the current HECO retail energy charges for agriculture land usage and/or stand charges by (if any) and how are they calculated?
- A. Retail energy charges will be per HECO commercial tariff (Schedule G, J, or P) depending on expected kW load. There is no separate rate for a customer who uses agricultural land. HECO does not currently have standby charges. The proposed standby charges currently before the Commission exempt non-utility power sources that are at least fifty percent fueled by non fossil fuel energy, including biodiesel or biofuels. So the wind turbine would not be subject to standby charges. The customer would pay for all power, including any back-up power when the wind turbine is not available, through the regular HECO tariff rate.
- 5 Q. Does this scenario change if a third party develops the site and just leases the land from the owner, the owner still uses all the power. Does the energy costs or stand by charge vary? Are there any other additional charges that HECO levies?
- A. Assuming that the land owner remains the HECO customer of record, the charges would remain as described immediately above.
- 6 Q. Can we negotiate several small (5 MW or less) PPAs with HECO directly without going through an RFP?
- A. HECO would have to consider the specifics of such project(s) such as if the facilities at the two locations are inter-related and inter-dependent. A final determination may have to be obtained from the Commission.

The following questions relate to project scenarios of 5 MW or less that are exempt from the competitive bidding in accordance with Section II.A.3.f. of the Commission's Competitive Bidding Framework and are outside the scope of this RFP. The requestor is encouraged to contact HECO's Power Purchase Division to discuss these project scenarios.

- 7 Q. Can you provide a description step by step of the process we would go through to provide 5 MW of power for sale to HECO?

- 8 Q. If we provide 5 MW or less do we have to go through an RFP?
- 9 Q. If we satisfy the process of applying for a small 5MW or less PPA proposal what are the next steps with HECO?
- 10 Q. If we installed a 4 MW wind farm behind the meter on a private site would there be any HECO stand by charges? Would there be any other fees or charges?
- 11 Q. If the third party builds a small 5 MW wind farm for the agriculture land owner and sells the excess to HECO what is the process for application?
- 12 Q. Under this scenario can the agriculture land owner elects to sell his excess power across a property line to one additional user whose property is adjacent to the agriculture land owners?