

1. Q. Please provide the draft proposed PPA in "WORD" format. Also please provide a dispatchable / base load capacity generation PPA for review.
A. A Word file of the Model PPA has been posted on the website. A separate model PPA for schedulable or dispatchable resources is not available. As set forth in Section 2.8 of the RFP: The model PPA has been prepared based on a wind project. The actual PPA may be modified as necessary based on the particular technology utilized.

If a bidder is proposing a project that is schedulable or dispatchable, the Bidder should modify the model PPA as applicable.
2. Q. Please provide a list of attendees at the Bidders Conference.
A. A list has been posted on the website.
3. Q. If we offer a "dispatchable capacity" bid, will the bid be given additional credit (qualitative or quantitative?) in the bid evaluation?
A. Projects that are dispatchable will be given consideration in the non-price evaluation as indicated in Section 4.4.2.3 of the RFP. From the price standpoint, the projects will be evaluated based on the level of dispatchability and operating parameters, including scheduled energy capability, submitted by the bidder. Bidders should note, however, that as described in Section 2.1 of the RFP, HECO will be offering a PPA for energy only. No firm capacity payments will be offered for this RFP.
4. Q. From the system stability consideration, is there any geographical location/ region on Oahu preferred by HECO for the project site?
A. Please refer to HECO's Solicitation of Interest, Section C, Information on Transmission Constraints Associated with Likely Areas of Interconnection.
5. Q. For the indexation of the energy price, will HECO consider a published index (e.g. Hawaii CPI) or a combination of published indices instead of a fixed, pre-agreed percent escalation? We think that this is a fair arrangement for HECO as well as a bidder.
A. This RFP does not provide for indexing of the variable nature suggested. As noted in Section 2.4 of the RFP bidders can offer either a fixed price for the term of the contract or a price that escalates by a fixed escalation rate. A bid with indexed pricing would be treated as a non-conforming bid.
6. Q. Will HECO or its subsidiary be interested in equity participation in the project?
A. No. This RFP is open to third-party bidders only. HECO is not seeking any equity participation in any project in this RFP.
7. Q. We appreciate the updated Q&A document and would like to follow up on a similar question that was raised in the bidder's conference. If the proposed project is located on the same site but has more than one interconnect options (to different transmission lines), will it be acceptable to submit one proposal with an alternate option or will HECO requires us to submit two or

more separate proposals

- A. It would be acceptable to submit one proposal with an alternate interconnection option.
8. Q. I am reviewing the Confidentiality and Non-Disclosure Agreement provided at the HECO website for Bidders. I was unable to find any text which serves to establish how HECO identifies Proprietary Information. One usually sees a provision that written Proprietary Information is marked as such, and that orally provided Proprietary Information is followed up in writing within so many days. Simply stated, how will we know what is Proprietary Information?
- A. Proprietary Information is defined in the third introductory paragraph and in Section 1. All information transmitted by HECO to a bidder should be deemed to be covered by the Confidentiality and Non-Disclosure Agreement ("NDA") as Proprietary Information unless the information falls under one of the exceptions set forth in Section 1. In other words, the potential bidder should consider as confidential and proprietary any information that HECO would provide to the bidder pursuant to the NDA (unless the information falls under one of the exceptions set forth in the NDA).
9. Q. What are the interconnection and transmission limitations on the North Shore system?
- A. Please refer to Section C of the SOI.
10. Q. Are there any planned system upgrades for the North Shore including extending the 138 kV system?
- A. Please refer to HECO's response to Q4 on 10/19/07. (reproduced below for convenience)
- 4 Q. What is HECO's planned or contemplated system additions or changes over the next 10 year period (also copies of associated system studies if possible)?
- A. HECO is currently in the process of conducting Integrated Resource Plan - 4 (IRP-4), which will consider system additions and changes over the next planning period. Please also refer to HECO's IRP-3 Evaluation Report on May 31, 2007 for additional information.