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GOVERNOR



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August 8, 2006

Re: Docket No. 03-0371, Instituting a Proceeding to Investigate Distributed Generation in Hawaii

Dear Parties and Participant:

Sections 111(d)(15) and 112(b)(5) of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), as amended by the Energy Policy Act of 2005, require the Commission to commence consideration of the following matters governing interconnection, no later than August 8, 2006:<sup>1</sup>

**INTERCONNECTION.**—Each electric utility shall make available, upon request, interconnection service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term "interconnection service" means service to an electric consumer under which an on-site generating facility on the consumer's premises shall be connected to the local distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers; IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time. In addition, agreements and procedures shall be established whereby the services are offered shall promote current

<sup>1</sup>Section 102(a) of PURPA states:

This chapter applies to each electric utility in any calendar year, and to each proceeding relating to each electric utility in such year, if the total sales of electric energy by such utility for purposes other than resale exceeded 500 million kilowatt-hours during any calendar year beginning after December 31, 1975, and before the immediately preceding calendar year.

16 U.S.C. § 2612(a). It is the commission's understanding that Kauai Island Utility Cooperative's ("KIUC") total sales of electrical energy do not exceed 500 million kilowatt-hours. However, given the nature of the docket and the public policy considerations at issue, the Commission will also consider whether KIUC should be required to adopt the standard described herein.

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best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

16 U.S.C. § 2621(d)(15). See also 16 U.S.C. § 2622(b)(5).

Please provide a statement describing your position, if any, on whether the commission should adopt, modify, or decline to adopt in whole or part, the standards articulated above, including the extent to which the electric utilities have already met the aforementioned standards. Your position statements, if any, should be filed in this docket by September 8, 2006. Thank you for your attention to this matter.

Sincerely,



Michael Azama  
Commission Counsel

MA:sl

Attachment: service list

**Docket No. 03-0371 Service List**

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