

Hawaii Renewable Energy Alliance

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October 23, 2006

The Honorable Chairman and Members of the
Hawaii Public Utility Commission
Kekuanaoa Building
465 South King Street, 1st Floor
Honolulu HI 96813

PUBLIC UTILITIES
COMMISSION

2006 OCT 24 P 2 02

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Re: Docket No. 03-0372 – In the Matter of the Public Utilities Commission
Instituting a Proceeding to Investigate Competitive Bidding for New Generating
Capacity in Hawaii

Dear Commissioners:

HREA seeks an affirmation that potential developers of Qualified Facilities (QFs) can still enter into discussions and negotiations with the utility for a power purchase agreements for sale of electricity to the utility under our state PURPA law (HRS §269-27.2, Utilization of electricity generated from nonfossil fuels) and Hawaii Administrative Rules (HAR 6-74, Small Power Producers).

The reason HREA is seeking this affirmation is that HECO has recently told potential QF developers that HECO is no longer accepting Non-Utility Generation (NUG) applications. The NUG application is the document that HECO requires QF developers to submit as the first step in the process of discussion and negotiation of a PURPA contract in HECO's service territory.

HREA understands that the Commission has taken the general matter of PURPA rights under the Commission's proposed framework for competitive bidding under advisement. HREA therefore seeks a declaratory order confirming QF rights under current state PURPA law, pending any modifications to that law as a result of a Decision and Order on pending issues on Docket No. 03-0372.

Mahalo for your consideration in this important matter.

Sincerely,


Warren S. Bollmeier II
President

cc: C. Awakuni, CA, D. Matsuura, HECO, J. McCawley, KIUC