

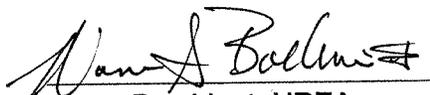
One specific suggestion would be to modify marketing efforts to emphasize that solar hot water (SHW) systems are becoming mainstream in Hawaii, and consequently, purchasers of SHW are no longer pioneers. Consequently, those that aren't SHW users should be then asking themselves "why haven't we joined the mainstream?" In addition, we believe it would be good to collect "before/after" data on a limited number of new installations in order to validate what the real energy and capacity savings are. In that regard, we highly recommend installation of "BTU" meters to measure the output of the systems under study.

Potential Pilot Projects to Demonstrate the Potential for Capacity Deferrals.

HREA believes there are several potential technology applications that should be considered by HECO for DSM implementation. HREA anticipates that HECO's load profile is or will soon exhibit more than one daily peak period. This trend may result in a shift of the peak period to earlier in the day as efforts are focused on reducing the evening peak, e.g., more solar hot water systems, and higher-efficiency appliances and lighting are introduced. Specifically, we suggest that following technologies be evaluated as pilot program applications to defer new capacity requirements, both for the historical as well as anticipated future trends:

- Residential, Commercial and Industrial PV,
- Active Power Conditioning on Existing CHP Systems, and
- Solar Air Conditioning.

DATED: January 10, 2006, Honolulu, Hawaii


President, HREA

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the following parties by causing a copy hereof to be hand-delivered or mailed, postage prepaid, and properly addressed with the number of copies noted below to each such party:

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