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FOR IMMEDIATE RELEASE

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PUC APPROVES JOINT PLAN ON THE ADMINISTRATION OF FIT PROGRAM QUEUES TO ACCELERATE PROJECT COMPLETIONS

Honolulu – The Hawaii Public Utilities Commission (“PUC” or “Commission”) approved, with certain conditions, a Joint Plan for the administration of the Feed-In-Tariff (FIT) program queues to address important issues and promptly move "shovel ready" projects to completion. The FIT program is a set of standardized, published rates under which each of the HECO Companies procures distributed renewable energy resources (based on project size), such as solar and wind. The FIT program was approved as a two-year pilot to facilitate renewable energy project development in Hawaii and has enabled development of approximately 15 Megawatts of clean, solar power in Hawaii. More FIT projects are in development and their completion will be accelerated by the Commission’s order.

The FIT program has an “active queue” of renewable energy projects that was intended to be “shovel ready”, and only required coordination with the HECO Companies in order to commence construction. In addition, there is a “reserve queue” of potential projects that could not be accommodated under the existing FIT program’s capacity constraints. The projects in the reserve queue were not guaranteed a place in the active queue. It is apparent that not all of the projects on the active queue were built during the requisite construction period, with many projects remaining on the active queue well beyond the designated time period.

The PUC directed HECO and the Independent Observer to develop a plan designed to move “shovel ready” renewable energy projects quickly to completion. In the Order issued today, the commission directed the HECO Companies, with the agreement of an independent observer, to immediately review the applications in the active queue, and to remove those that are incomplete or that fail to meet certain guidelines. The HECO Companies are required to give adequate and timely notice to the applicants prior to their removal from the active queue. Applicants facing removal are given a grace period to establish the ability to complete the project quickly.

Given that there is no additional capacity available to be allocated to the existing FIT program, the Commission also ordered the termination of the reserve queue. The Commission further ordered the utilities to promptly refund the application and other fees previously paid by those in the reserve queue.

The Commission's action is designed to address immediate issues concerning the existing FIT program queues in response to claims that the queues have been mismanaged by the utilities and gamed by developers. The Commission will continue to address issues concerning the FIT program on a "going forward" basis in a recently-initiated proceeding to investigate distributed energy resource ("DER") policies. The purpose of the DER docket is to investigate the technical, economic, and policy issues associated with DER – including the FIT program - as they pertain to the ongoing and future electric operations of the HECO Companies.

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