

RULE NO. 21

Hawai'i Energy Bill Saver Program
On Bill Repayment Option

A. PURPOSE

This Rule provides the means for the Company to:

1. Assess the Commission approved Hawai'i Energy Bill Saver ("Bill Saver") Program Charge upon an eligible Bill Saver Program participant who owns or occupies a property on which Energy Improvement(s) was financed under the On Bill Repayment Option ("OBR").
2. Include the Bill Saver Program Charge in the bill for electric service for the assessment of Deposits under Rule No. 6, Deposits.
3. Include the Bill Saver Program Charge in the bill for electric service when establishing non-payment of bill under Rule No. 7, Discontinuance and Restoration of Service.
4. Attach the Bill Saver Program Charge, under the OBR, to the individual customer who has entered into a financial agreement that specifies the repayment of the obligations under OBR of the Bill Saver Program in accordance with the Commission's Program Manual.

B. DEFINITIONS

Unless defined below or elsewhere in this Rule or Rule No. 1 (Definitions), capitalized terms have the meaning given to them in the Program Manual, which is hereby incorporated by reference.

1. "Bill Saver Program" means the Hawai'i Energy Bill Saver Program, also referred to as the "Program", as approved by the Commission in Docket No. 2014-0129, Instituting a Proceeding to Establish and Implement an On-Bill Financing Program.
2. "Bill Saver Program Charge" is a monthly charge added to the electric bill to provide for repayment of the On-Bill Obligation for the financing of the acquisition and installation of the Energy Improvement(s) as further described in the Commission's Program Manual.
3. "Commission" is the Hawaii Public Utilities Commission.

HAWAII ELECTRIC LIGHT COMPANY, INC.

RULE NO. 21 - Continued

Hawai'i Energy Bill Saver Program
On Bill Repayment Option

4. "Electric service charges" means all charges on the bill that are not Bill Saver Program related.
5. "Electricity consumption charges" means that portion of "electric service charges" that are customer, energy, and demand charges (including applicable surcharges) related to electricity consumption, plus installment plan charges, customer advances due (e.g., under Rule 13-S, Special Subdivision Project Provisions (SSPP)), and non-commodity charges.
6. "Energy Improvement" means any Commission-approved permanently installed renewable energy measures or energy efficiency and conservation systems, including solar hot water systems, that meet the requirements set forth in the Program Manual.
7. "FPA" means the Commission-approved third-party Finance Program Administrator responsible for financial aspects and processes of the Program as set forth in the Program Manual.
8. "On Bill Repayment Option", also referred as "OBR" means the option in the Program that utilizes existing market-based funds and financial products (including loans, leases, and power purchase agreements) to finance the acquisition and installation of Energy Improvement(s), and which provides for repayment through the Participant's electric bill.
9. "On-Bill Obligation" means the costs to finance the acquisition and installation of Energy Improvement(s) under OBR of the Bill Saver Program. Eligible customers must have entered into a financial agreement with a QSC to finance the Energy Improvement(s) and agree to make payments through a Bill Saver Program Charge added to the monthly electric utility bill.
10. "PA" means the Commission-approved third-party Program Administrator responsible for coordinating the Participant aspects and processes of the Program, including but not limited to, marketing and outreach, customer service and streamlining the Participant application process, as set forth in the Program Manual.
11. "Pari passu allocation" means that, where service has been terminated with remaining balances owed, the Participant payment will be distributed in the same weighted

HAWAII ELECTRIC LIGHT COMPANY, INC.

RULE NO. 21 - Continued

Hawai'i Energy Bill Saver Program
On Bill Repayment Option

proportion as the proportion of the entire bill. For example, if 80% of the Participant's bill is for "electric service charges" and 20% is for the Bill Saver Program Charge, the Participant payments will be credited in that percentage.

12. "Participant" means the primary electric utility account holder who has entered into a financial agreement with a QSC to finance Energy Improvement(s) under the OBR of the Bill Saver Program.
13. "Program Manual" means the Commission-approved manual, as may be amended from time to time, that governs the Bill Saver Program and its processes and otherwise documents the program design and operation, as filed in Docket 2014-0129, Instituting a Proceeding to Establish and Implement an On-Bill Financing Program.
14. "QSC" means a "Qualified Source of Capital" that meets Commission-established criteria for use of the On-Bill Mechanism as set forth in the Program Manual.

C. APPLICABILITY

The OBR of the Bill Saver Program is available to residential and small commercial customers under Schedule R (residential), Schedule TOU-R (time-of-use residential), Schedule TOU-EV (time-of-use electric vehicle), Schedule G (small commercial), or Schedule TOU-G (time-of-use small commercial) or any other residential and small commercial rate schedule option available to such customers. Participants may face other eligibility requirements as set forth in the "Participant" section of the Program Manual.

Eligible customers must have entered into a financial agreement with a QSC to finance the acquisition and installation of eligible Energy Improvement(s) and have agreed to repay their On-Bill Obligation through a Bill Saver Program Charge that is to be added to their monthly electric bill.

HAWAII ELECTRIC LIGHT COMPANY, INC.

RULE NO. 21 - Continued

Hawai'i Energy Bill Saver Program
On Bill Repayment Option

D. BILL \$AVER PROGRAM CHARGE

Each customer participating in the Bill Saver Program shall pay the monthly Bill Saver Program Charge along with other electric service charges on their electric bill. The Bill Saver Program Charge will appear as a separate line item on the bill.

The monthly Bill Saver Program Charge is determined by the FPA and may include (1) the amount owed to the QSC; and (2) an On-Bill Access Fee. The FPA shall provide the Company with the monthly Bill Saver Program Charge to be assessed on each respective participating customer's bill. A further description of the methodology for calculating the Bill Saver Program Charge is described in the Commission's Program Manual.

E. ROLES AND RESPONSIBILITIES

This Rule describes the Company's responsibilities and the customer's responsibilities under the OBR of the Bill Saver Program. Pursuant to the Commission's Program Manual, the Company is carrying out its required activities to bill, collect, and remit the Bill Saver Program Charge to the FPA. The Company is not responsible for lending, underwriting, or credit determinations.

F. COMMENCEMENT AND NOTICE OF BILL \$AVER PROGRAM CHARGE

For initial placement of Energy Improvement(s), the Company shall receive a notice from the FPA that: (1) notifies the Company an eligible customer's participation in the Bill Saver Program has been approved and the customer has agreed to make Bill Saver Program Charge payments on his/her monthly electric bill; (2) notifies the Company of the monthly Bill Saver Program Charge amount; and (3) provides the Company the date until which the charge shall continue. Unless and until instructed otherwise by the FPA, the Company shall use this information to bill the Participant. The placement of the Bill Saver Program Charge on the Participant's bill will commence on the first billing cycle following the Company's receipt of the FPA's notice described above.

HAWAII ELECTRIC LIGHT COMPANY, INC.

RULE NO. 21 - Continued

Hawai'i Energy Bill Saver Program
On Bill Repayment Option

1. Once the Company has received notice from the FPA of the initial customer's participation under the OBR of the Bill Saver Program, the Bill Saver Program Charge shall be assigned to the individual Participant who has entered into the financial agreement to acquire and install Energy Improvement(s) with a QSC, and has agreed to repay the On-bill Obligation through their electric bill.
2. For the purpose of calculating deposits, calculating interest on deposits, and refunding deposits under Rule No. 6, Deposits, the bill amount for the Bill Saver Program Charge shall be considered as part of the bill for electric service. Upon discontinuance of service, if there are unpaid "electric service charges" and/or a Bill Saver Program Charge obligation, the deposit will be applied to the unpaid electric service charges and/or Bill Saver Program Charge obligation as if it were a customer payment, subject to the senior status of the Bill Saver Program Charge (see section G.2 below).

G. BILLING

1. The monthly Bill Saver Program Charge will be determined by the FPA and appear as a separate line item on the Participant's electric bill. The due date for payment is the same as the due date for the "electric service charges".
2. The Bill Saver Program Charge shall be given senior status over the Participant's "electricity consumption charges" due for the purposes of determining outstanding balances.
3. Participants are responsible for paying their bills from the Company in full, which include "electric service charges" and the Bill Saver Program Charge. Non-payment of the bill may result in the initiation of the Company's collection processes and potential disconnection of electrical service under Rule No. 7, Discontinuance and Restoration of Service.
4. For those participating customer accounts where service has been terminated with remaining balances owed, the Company will return any unpaid Bill Saver Program Charges to the FPA. Any returned unpaid Bill Saver Program Charges may be collected by the FPA at its own cost. The Company may seek to recover the unpaid "electric service charges" through its own collection procedures. Not more frequently than annually, the Company will perform a reconciliation of all such accounts to determine an aggregate "pari passu allocation"

HAWAII ELECTRIC LIGHT COMPANY, INC.

RULE NO. 21 - Continued

Hawai'i Energy Bill Saver Program
On Bill Repayment Option

between payments credited towards accumulated Bill Saver Program Charges and credited towards accumulated electric service charges. The Company will then recalculate the Bill Saver Program Charges due to the FPA and the "electric service charges" due to the Company.

5. Customers wishing to make prepayments or wishing to satisfy the outstanding balance of the On Bill obligation should consult the FPA and make arrangements directly for such payment(s). If no arrangements are made with the FPA, any excess payments received beyond what is due on their current monthly electric utility bill will be applied as a general credit on their electric utility account and shall be carried over as credits to be applied to subsequent utility bills with the Bill Saver Program Charge given senior status before the electricity consumption charges.

H. TRANSFERABILITY OF ON-BILL OBLIGATION TO PAY BILL SAVER PROGRAM CHARGES

1. The financial agreement between the Participant and the QSC shall govern the transferability of the financing product. Unless otherwise agreed upon by the Participant and the QSC, the Participant remains responsible to pay the Bill Saver Program Charge upon new ownership or termination of electric service.
2. The Company will have no further obligation to bill, collect, or remit the Bill Saver Program Charge when the participant ceases to be the customer of record at the premise at the location where Energy Improvement(s) was financed under the Program. The QSC will be responsible for the collection of the remaining balance owed for the Energy Improvement(s) directly from the Participant.

I. LIABILITY IN CONNECTION WITH THE ENERGY IMPROVEMENT(S) AND ON-BILL OBLIGATION

1. The Company shall not have any responsibility or liability for the installation, maintenance, repair, replacement, warranty, or removal of Energy Improvement(s). The Company is not affiliated in any way with the FPA or PA, or QSC, and shall not have any responsibility or liability with respect to any act, omission, or representation made by the FPA, PA, or QSC.

HAWAII ELECTRIC LIGHT COMPANY, INC.

RULE NO. 21 - Continued

Hawai'i Energy Bill Saver Program
On Bill Repayment Option

2. As the Bill Saver Program Charge is determined and provided by the FPA, the Company shall not be held liable to the Customer if the amount of such charges are inaccurate in any way or contains charges that are contrary to agreements between the QSC and the Participant.

J. BILLING INQUIRIES OR DISPUTES

1. Customer inquiries concerning the OBR charges for the Bill Saver Program shall be directed to the PA, who may further forward or re-direct the inquiries to the FPA or an approved third-party QSC directly.
2. Where the Participant disputes his/her obligations to pay the Bill Saver Program Charge, the dispute shall be resolved between the Participant and the QSC, and the Company shall not be a party to the dispute. The Company will continue to include the Bill Saver Program Charge on the electric bill pending the dispute resolution process unless otherwise instructed by the FPA.
3. Customer inquiries concerning general billing and payment questions relating to charges for electrical service only should be directed to the Company.

K. RULES AND RATES OF THE COMPANY

Except where noted above, all other rates and rules of the Company apply to customers participating in the Bill Saver Program.

HAWAII ELECTRIC LIGHT COMPANY, INC.