

PRESENTATION OF
CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
TO:

COMMITTEE ON ENERGY AND ENVIRONMENT
SENATOR RON MENOR, CHAIR
SENATOR GARY L. HOOSER, VICE CHAIR

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
REP. HERMINA M. MORITA, CHAIR
REP. MELE CARROLL, VICE CHAIR

January 18, 2007

INFORMATIONAL BRIEFING ON THE STATUS,
PROGRESS AND LEGISLATIVE PROPOSALS FOR
ENERGY EFFICIENCY, RENEWABLE ENERGY, AND REGULATORY REFORM IN HAWAII

<u>Acts</u>	<u>Docket</u>	<u>Description</u>	<u>Status</u>
1. Chapter 269, HRS	03-0371	Investigation re Distributed Generation ("DG") to establish policies and principles for DG deployment and generation, and guidelines and requirements for DG.	<ul style="list-style-type: none">• Completed with Decision and Order No. 22248, January 2006, setting forth various DG policy and procedural matters, and with further details to be established by tariff.• Decision and Order No. 22375, April 2006, ruling on HECO's motions for clarification and reconsideration.• HECO's and KIUC's proposed revised interconnection tariffs filed July 2006.• HECO's proposed standby service tariff filed August 2006; KIUC's proposed standby tariffs filed November 2006.• Many concerns and comments were generated by proposed standby service tariffs; accordingly, tariffs to be reviewed in two new dockets: HECO (2006-0497) and KIUC (2006-0498). State-wide Public Hearings will be held in February 2007.
2. Chapter 269, HRS	03-0372	Investigation into Competitive Bidding as a mechanism for acquiring or building new generation projects in effort to ensure new generation at least cost.	<ul style="list-style-type: none">• Completed with establishment of Competitive Bidding Framework in Decision and Order No. 23121, December 2006.• Electric utilities interconnection and upgrade tariffs, and proposed Code of Conduct to be filed.

	<u>Acts</u>	<u>Docket</u>	<u>Description</u>	<u>Status</u>
3.	Act 104, SLH 2005	06-0084	Net Energy Metering Investigation: whether to increase: (1) max capacity of customer-generators to more than 50 kW; and (2) total capacity produced by customer-generators above 0.5% of utility's peak demand	<ul style="list-style-type: none"> • Parties determined and Procedural Schedule adopted; discovery and technical meetings scheduled through August 2007, Evidentiary Hearing scheduled for September 2007, post-hearing briefs to follow. • Decision and Order target completion December 2007.
4.	Act 162, SLH 2006	05-0069	Energy Efficiency Docket to review HECO proposed Demand-Side Management ("DSM") Programs and to consider use of Public Benefits Fund to administer DSM programs.	<ul style="list-style-type: none"> • Discovery completed, Hearings held August 2006, Post-Hearing Briefs completed November 2006. • Federal EPA Consultants retained for assistance. • Decision and Order target completion February 2007.
5.	Act 95, SLH 2004 Act 162, SLH 2006	07-0008	Renewable Portfolio Standards ("RPS") Investigative Docket to implement RPS and incentive mechanism and structure.	<ul style="list-style-type: none"> • Held informal workshops to receive range of comments and recommendations. • Opened formal Investigative Docket to complete investigation with changes made by Act 162, which allows for penalties if RPS not achieved. • Electric Utilities have exceeding RPS standards of 8%, as of December 2005 (HECO 11.7%, KIUC 13.9%). • Decision and Order target completion December 2007.
6.	Act 162, SLH 2006	05-0315	Act 162 requires examination of certain factors before an automatic fuel rate adjustment clause may be approved by Commission, to be applied in HELCO Rate Case.	<ul style="list-style-type: none"> • Review includes consideration of whether clause provides sufficient incentive to encourage greater use of renewable energy, among other considerations. • Proposed adjustment clause will be reviewed under the standards established by Act 162.
7.	Act 240, SLH 2006	06-0425	Solar Water Heating Pay As You Save Program - Investigation to establish parameters of program.	<ul style="list-style-type: none"> • Investigation opened; parties and intervenors determined; Stipulated Protective Order and Stipulated Procedural Order entered. • KIUC and HECO's proposed tariffs filed December 2006. • Technical meeting and discovery scheduled through April 2007; evidentiary hearing to follow if necessary. • Decision and Order target

	<u>Acts</u>	<u>Docket</u>	<u>Description</u>	<u>Status</u>
				completion June 2007.
8.	Chapter 269, HRS, Par. 2.3.g.2 Gen. Ord. No. 7	05-0145	Application of HECO for Approval of Campbell Industrial Park generation plant; involves renewable energy and biofuels issues.	<ul style="list-style-type: none"> • Discovery completed; evidentiary hearing held December 2006. • Pending Post-Hearing Briefing; Decision and Order to follow.
9.	Federal Energy Policy Act of 2005, amending PURPA	Various: 03-0253 04-0046 04-0077 06-0084 06-0165 06-0497 06-0498	<p>Commission required to consider and make a determination on five (5) standards described in Energy Policy Act:</p> <ul style="list-style-type: none"> • Net Metering (by August 2008) • Fuel Diversity (by August 2008) • Fossil Fuel Generation Efficiency (by August 2008) • Time-Based Metering and Communications (by August 2007) • Interconnection (by August 2007) 	<ul style="list-style-type: none"> • Net Metering: To be reviewed in Commission's Net Energy Metering Investigation (06-0084) • Fuel Diversity and Fossil Fuel Generation Efficiency: To be reviewed in Integrated Resource Planning ("IRP") dockets. HELCO (04-0046), MECO (04-0077), HECO (03-0253), KIUC (06-0165). • Time-Based Metering and Communications: To be reviewed in HELCO Rate Case (05-0315) • Interconnection: To be reviewed in two new DG dockets to review interconnection tariffs. HECO (06-0497), KIUC (06-0498). Federal EPA Consultants retained.
10.	Act 143, SLH 2006		Regulatory Reform: Report from Commission on restructuring and resource needs; to enable it to more efficiently and effectively address day-to-day regulatory responsibilities and important policy issues.	<ul style="list-style-type: none"> • See PUC Act 143 Report, December 2006. • Resource and Restructuring requests included in Budget request.
11.	Legislative Proposal, SLH 2007 2007		To improve energy security, and to reduce dependence on foreign oil and benefit the environment, the Commission should be expressly allowed to consider the need for renewable energy in exercising its authority to regulate public utility companies.	<ul style="list-style-type: none"> • Proposed new language: "§269-A Consideration of renewable energy. The public utilities commission may consider the need for increased renewable energy use in exercising its authority and duties under this chapter." • To be submitted with Administration's package.