

About the Division of Consumer Advocacy

- The Division of Consumer Advocacy (“DCA”), part of the state Department of Commerce & Consumer Affairs, represents, protects, and advances consumer interests before the Hawaii Public Utilities Commission (“PUC”) and other state and federal agencies.
- The DCA assists and represents utility customers as a whole, statewide, as opposed to a single customer or select group.
- The DCA is ex officio a party to every PUC proceeding, pursuant to HRS § 269-51 and HAR § 6-61-62.

About the Division of Consumer Advocacy

- In Hawaii, utility companies must seek PUC approval for rate increases, major capital improvement projects, certificates of authority to operate, company buyouts and mergers, financing, and to implement special programs, among other things.
- The DCA carefully reviews different aspects of a utility company's request to regulators to determine whether it is reasonable and in the public interest and then makes recommendations to the PUC or other regulators on behalf of consumers.
- The DCA focuses its primary review on applications filed or proceedings opened relating to electric, telecommunications, water & wastewater, synthetic natural gas, and some transportation services.

DCA's participation in recent dockets addressing energy matters before the PUC

- HECO, HELCO, and MECO's ("HECO Companies") and KIUC's Distributed Generation Standby Rate and Interconnection dockets (Docket No. 2006-0497 and 2006-0498, respectively)
 - The PUC instructed electric utilities to file standby rate tariffs in the distributed generation docket (03-0371). In response to the many concerned comments made by the public about the proposed tariffs, the PUC opened these two dockets.
 - The PUC, DCA, and utilities traveled statewide in February 2007 to take public comment on the proposals of the companies.
 - DCA conducted extensive discovery in both dockets relating to the interconnection and standby components.
 - Next step: The parties in both dockets have engaged in serious settlement discussions, and appear optimistic about the potential to agree upon resolution of most (if not all) of the issues. A status conference in the HECO Companies' standby docket is scheduled for January 18, 2008 and an evidentiary hearing for February 2008. Oral argument in the KIUC docket is scheduled for February 2008.

DCA's participation in recent dockets addressing energy matters before the PUC

- PUC's investigation into Competitive Bidding (Docket No. 03-0372)
 - During the competitive bidding docket, DCA recommended that competitive bidding can and should be established without further delay, since such mechanism can: (a) expand the resource options considered in meeting an identified need; (b) create an opportunity for consumer savings by imposing price competition; and (c) improve the responsiveness of utility resource plans to achieve environmental, fuel diversity, and other public policy goals.
 - The PUC established a competitive bidding framework in Decision and Order No. 23121 (December 8, 2006).
 - The PUC later approved the list of independent observers, the code of conduct for the HECO Companies, and the interconnection and upgrade tariffs.
 - Two new dockets were recently opened to address the first competitive bidding processes:
 - Docket No. 2007-0331– HECO's proposal to acquire 100 MW of non-firm renewable energy on Oahu and
 - Docket No. 2007-0403 – MECO's proposal to acquire two increments of 25 MW of firm generating capacity on Maui.

DCA's participation in recent dockets addressing energy matters before the PUC

- Rate cases filed by HECO (Docket No. 05-0315), HELCO (Docket No. 2006-0386), and MECO (Docket No. 2006-0387)
 - In 2007, the PUC issued interim decisions and orders in all three rate cases.
 - Next step: The parties are determining what amendments, if any, should be made to the HECO Companies' fuel adjustment clauses to comply with Act 162, SLH 2006, and will file such statements of position or other filings with the PUC.

DCA's participation in recent dockets addressing energy matters before the PUC

- PUC's net energy metering ("NEM") investigative docket (Docket No. 2006-0084)
 - DCA Recommended:
 - Increasing the maximum size of the NEM generator qualifying for a NEM arrangement from 50 kW to 100 kW for the HECO Companies and keeping the maximum size of the NEM generator qualifying for a NEM arrangement at 50 kW for Kauai Island Utility Cooperative ("KIUC").
 - Increasing the total rated generating capacity produced by eligible customer-generators to 1% of peak demand for KIUC and the HECO companies.
 - Considering whether the two thresholds (customer-generator size and system peak) should be increased in each company's integrated resource planning docket to ensure regular review of the limits on a system-by-system basis.
 - Next step: Final decision making by the PUC.

DCA's participation in recent dockets addressing energy matters before the PUC

- Investigation into the major power outages that occurred on the islands of Oahu, Maui, and Hawaii (Docket No. 2006-0431)
 - The DCA filed a statement of position with the PUC on August 24, 2007, requesting that the PUC order:
 - The HECO Companies to formalize their training programs for plant and system operators to include more formalized training, practiced simulation, certification, re-qualification and record keeping;
 - HECO to evaluate and pursue providing additional black start capability on its system. In particular, the DCA recommended that HECO consider providing a second site for power restoration capability, such as by adding a black start diesel generator set to its Waiiau 9 and 10 combustion turbines; and
 - HECO to develop and commence a long-term program to implement Supervisory Control and Data Acquisition (“SCADA”) control on existing distribution breakers, and the HECO Companies to implement a standard requiring SCADA control for all new distribution breakers that are installed on all three islands.
 - Next step: The HECO Companies are responding to the DCA's claim that the HECO Companies' training programs need more formalization. Thereafter, the proceeding will be ready for decision making.

DCA's participation in recent dockets addressing energy matters before the PUC

- PUC's Renewable Portfolio Standard docket (Docket No. 2007-0008) and Renewable Energy Infrastructure Surcharge docket (Docket No. 2007-0416)
 - On January 11, 2007, the PUC opened an investigative docket to examine Hawaii's Renewable Portfolio Standards law, as amended by Act 162, SLH 2006.
 - DCA recommended:
 - Adoption of a proposed penalty framework and
 - Implementation of a proposed renewable energy infrastructure surcharge on a pilot basis with certain limitations
 - On December 20, 2007, the PUC issued a Decision and Order, which approved the penalty provision of the framework submitted by a majority of the parties, required additional information about the penalties for noncompliance with the RPS, and opened a new docket to examine the renewable energy infrastructure surcharge.
 - Next step: The DCA will submit a statement of position addressing the penalty provision on or before January 31, 2008 and will await further instruction from the PUC on the new surcharge docket.

DCA's participation in recent dockets addressing energy matters before the PUC

- The PUC's investigation of the issues and requirements raised by Hawaii's Public Benefits Fund law, Part VII of Chapter 269, HRS (Docket No. 2007-0323)
 - On February 13, 2007, the PUC issued Decision and Order No. 23258. By the Decision and Order, the PUC, among other things:
 - Ordered that the HECO Companies' energy efficiency and demand-side management programs shall transition from the HECO Companies to a public benefits fund administrator by January 2009 (the HECO Companies' load management programs were excluded from the third-party administrator's area of responsibility); and
 - Instructed that a new docket will be opened to select a public benefits fund administrator and to refine details of the new market structure
 - Next step: In December 2007, the PUC determined the parties for the proceeding. The parties are awaiting further instruction from the PUC relating to a request for proposal to select the public benefits fund administrator and the procedural schedule.

DCA's Reorganization

- At the end of 2007, DCA received approval of its reorganization plan, which provides for more position description and classification flexibility, and assists the DCA's ability to hire, retain, and compensate employees. Act 183, SLH 2007, which provided for the reorganization of DCA, was critical to providing DCA and the reviewing state departments with guidance.