

**HAWAII ENERGY POLICY FORUM
REGULATORY REFORM WORKING GROUP
TWO YEAR ACTION PLAN**

Adopted September 13, 2006

Chair: Carl Freedman

The Regulatory Reform Working Group has principal responsibility for “points” number four and five in the Ten Point Plan:

Point #4: Maintain Policies and Regulations to Encourage Energy Efficiency and Renewable Resources.

Point #5: Preserve Regulatory Protections

For each of these Ten Point Plan areas of responsibility the Regulatory Working Group proposes a Two Year Action Plan (attached) which identifies goals, objectives, desired outcomes, actions, benchmarks and a corresponding budget.

Ten Point Plan Point #4

Maintain Policies and Regulations to Encourage Energy Efficiency and Renewable Resources.

Goal:

Ensure policies and regulation, including state statutes, county ordinances, county and state administrative rules, case law and agency decisions and orders, are consistent in promoting efficiency and renewable resources.

Objectives and Desired Outcomes:

- Improve County and State policies and regulations to enable and promote energy efficiency and renewable energy resources.
 - Determine what existing policies and regulations present barriers to promoting efficiency and renewable resources
 - Identify solutions and opportunities to make state and county policies and regulations supportive of efficiency and renewable resources
 - Propose and promote specific amendments to policies, ordinances, rules and legislation

Specific Actions:

- Commission a methodical study to examine existing policies and regulations and recommend amendments to promote efficiency and renewable resource implementation (August 2006 – August 2007)
 - Examine and catalogue existing relevant policies and regulations

- Determine which policies are and are not consistent with promoting energy efficiency and renewable resources
- Determine what amendments or options are feasible to improve policies and regulations
- Formulate recommendations for implementing amendments and/or options
- Monitor the implementation of the recently adopted laws passed in the 2006 Legislature regarding energy utility regulation and actions to be implemented by the PUC and DCA (July 2006 – July 2008)
 - Implementation of Renewable Portfolio Standards
 - Consideration of a Public Benefits Fund by the PUC
 - Evaluation of the electric utilities' fuel price adjustment clauses by the PUC
 - Implementation of “de-linked” pricing in renewable energy power purchase agreements
- Coordinate with other Forum working groups regarding matters pertaining to the PUC and DCA (July 2006 – July 2008)
- Determine, evaluate and promote recommendations for legislation for the 2007 and 2008 legislative sessions (November 2006 – May 2007 and November 2007 – May 2008)

Benchmarks:

- All pertinent county and state ordinances, statutes, administrative rules and agency policies reviewed for consistency with enabling and promoting energy efficiency and renewable resources.
- Specific solutions and opportunities identified to make policies and regulations more conducive to energy efficiency and renewable resources.
- Specific amendments proposed and promoted to improve county and state policies and regulations.

**Ten Point Plan Point #5:
Preserve Regulatory Protections**

Goal:

Ensure policies, reforms and resources to support the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (DCA) in progressive and aggressive efforts to protect the public's interest and implement the State's energy strategy.

Objectives and Desired Outcomes:

- Provide for adequate financial and staff resources for the PUC and DCA
 - Staff salaries commensurate with industry standards and sufficient to attract and maintain qualified personnel
 - Agency modernization and reorganization to facilitate efficient agency productivity
 - Agency budgets sufficient to retain qualified consulting services as necessary
- Appreciation by government leaders and legislators of the crucial importance of regulatory agency capability and productivity to implement sound state energy policies.

Specific Actions:

- Ensure that the PUC and DCA have the necessary resources to timely and fairly address regulatory issues. (July 2006 – July 2008)
 - Continue dialogue with the Governor’s office to emphasize the importance of sufficient staffing of these agencies
 - Commission a study by an authoritative national organization to review PUC and DCA agency resource needs for staff positions and recommend appropriate commensurate salaries in order to support agency reorganization proposals in the 2007 Legislature.
 - Monitor the progress of agency reorganization plans and support the agencies’ plans and funding in the 2007 legislature
- Determine, evaluate and promote recommendations for legislation for the 2007 and 2008 legislative sessions (November 2006 – May 2007 and November 2007 – May 2008)

Benchmarks:

- Government leaders informed and appreciative of the importance of regulatory agency capability and productivity
- Support and passage of regulatory agency reorganization plans to provide invigorated agency capability and productivity
 - Sufficient and appropriate agency staff positions
 - Sufficient agency staff salaries
 - Sufficient agency budgets