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DIVISION OF CONSUMER ADVOCACY
Department of Commerce and
Consumer Affairs
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Honolulu, Hawaii 96813
Telephone: (808) 586-2800

2014 MAY -1 P 3:47

PUBLIC UTILITIES
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAIIAN ELECTRIC COMPANY, INC.)
)
For Approval of Power Purchase)
Agreement for Renewable As-Available)
Energy with Lanikuhana Solar, LLC.)

DOCKET NO. 2014-0077

**DIVISION OF CONSUMER ADVOCACY'S
PRELIMINARY STATEMENT OF POSITION**

Pursuant to the Hawaii Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Hawaii Administrative Rules ("HAR") § 6-61-62, the Division of Consumer Advocacy ("Consumer Advocate") informs the Commission that it has conducted a preliminary review of the application in which Hawaiian Electric Company, Inc. ("Hawaiian Electric" or the "Company") requesting the Commission issue two separate decisions and orders as follows:

1. First Decision and Order Request:
 - a. Approve the Power Purchase Agreement for Renewable As-Available, Energy, dated October 11, 2013, and Amendment No. 1 to the Power Purchase Agreement, dated April 6, 2014 ("PPA"), by and between Hawaiian Electric and

Lanikuhana Solar, LLC ("LSLLC") for a proposed 20-megawatt ("MW") photovoltaic ("PV") project to be located at the Mililani South Solar Park ("MSSP") in Mililani, on the island of Oahu as further described in the application (the "Project").

- b. Find that the purchased energy charges to be paid by Hawaiian Electric pursuant to the PPA are reasonable.
- c. Find that the purchased power arrangements under the PPA, pursuant to which Hawaiian Electric purchases energy on an as-available basis from LSLLC, are prudent and in the public interest.
- d. Authorize Hawaiian Electric to include the purchased energy charges (and related revenue taxes) that Hawaiian Electric incurs under the PPA in and through Hawaiian Electric's Energy Cost Adjustment Clause ("ECAC"), to the extent such costs are not included in base rates.
- e. Modify, if necessary, the existing waiver from the Framework for Competitive Bidding¹ for the four individual 5-MW facilities to be located at the MSSP² to apply to the proposed one 20-MW Project

¹ The Framework for Competitive Bidding, adopted by the Commission in Decision and Order No. 23121 ("D&O 23121"), issued December 8, 2006, in Docket No. 03-0372, is referred to as the "Framework."

² See Decision and Order filed on December 23, 2010 in Docket No. 2010-0079.

at the same location or, in the alternative, grant new waiver for the 20-MW Project from the Competitive Bidding Framework.

- f. Grant such other relief as may be just and reasonable under the circumstances.

2. Second Decision and Order Request:

Upon completion of an Interconnection Requirements Study ("IRS") for the Project in the fourth quarter of 2014, the informational filing of an Amendment to the PPA based on the IRS results (the "Interconnection Requirements Amendments"), and the filing of such additional information as may be necessary in connection with the requested approval of the above-ground 138 kV line extension, that the Commission:

- a. Determines that a 138 kV line extension that is included as part of Company-Owned Interconnection Facilities should be constructed above the surface of the ground, pursuant to Hawai'i Revised Statutes ("HRS") § 269-27.6(a).
- b. If necessary, conduct a public hearing pursuant to HRS § 269-27.5.
- c. Grant such other relief as may be just and reasonable under the circumstances.

The Consumer Advocate has reviewed the application and attached documentation offered in support of the requested relief and has questions and concerns regarding the reasonableness of the requested relief, especially in light of the fact that the scope in which the original waiver request was approved by the

Commission (i.e., four individual 5-MW facilities) has significantly changed to an individual 20 MW project.

As a result, the Consumer Advocate is unable to presently state its position on the merits of the application and cannot offer its recommendation to the Commission regarding whether the application should be approved.

To aid in its assessment of this matter, the Consumer Advocate will be issuing information requests shortly.

The Consumer Advocate will participate in the above-captioned proceeding and will state its position upon completion of its investigation.

DATED: Honolulu, Hawaii, May 1, 2014.

Respectfully submitted,

By 
For JEFFREY T. ONO
Executive Director

DIVISION OF CONSUMER ADVOCACY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S PRELIMINARY STATEMENT OF POSITION** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

DANIEL G. BROWN
MANAGER, REGULATORY
NON-RATE PROCEEDINGS
Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840-0001

1 copy
by hand delivery

DATED: Honolulu, Hawaii, May 1, 2014.

G. Adali
